

# ACCELERATED EDUCATION BENEFITS FOR VETERANS

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## HEARING BEFORE THE SUBCOMMITTEE ON ECONOMIC OPPORTUNITY OF THE COMMITTEE ON VETERANS' AFFAIRS U.S. HOUSE OF REPRESENTATIVES ONE HUNDRED TENTH CONGRESS

FIRST SESSION

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## **ACCELERATED EDUCATION BENEFITS FOR VETERANS**

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**THURSDAY, MAY 3, 2007**

U.S. HOUSE OF REPRESENTATIVES,  
COMMITTEE ON VETERANS' AFFAIRS,  
SUBCOMMITTEE ON ECONOMIC OPPORTUNITY,  
*Washington, DC.*

The Subcommittee met, pursuant to notice, at 2:03 p.m., in Room 334, Cannon House Office Building, Hon. Stephanie Herseth Sandlin [Chairwoman of the Subcommittee] presiding.

Present: Representatives Herseth Sandlin, Donnelly, McNerney, Hall, Boozman.

### **OPENING STATEMENT OF CHAIRWOMAN HERSETH SANDLIN**

Ms. HERSETH SANDLIN. Good afternoon, ladies and gentlemen. The Veterans' Affairs Economic Opportunity Subcommittee hearing on accelerated education benefits for veterans will come to order.

Before I begin with my opening statement, I would like to call attention to the fact that Mr. Walter Blackwell, President and CEO of The Veterans Corporation, and the Paralyzed Veterans of America have asked to submit a written statement for the record.

If there is no objection, I ask for unanimous consent that these statements be entered for the record. Hearing no objection, so entered.

Today we will be hearing testimony on accelerated education benefits. In 2001, Congress passed legislation to assist veterans in paying for short-term, high-cost education programs. Instead of paying the monthly education benefits, the accelerated education benefits provide a lump sum of 60 percent of tuition for certain programs.

To be eligible to participate in the accelerated education benefit program, individuals must qualify for the Montgomery GI Bill (MGIB) Active Duty, be enrolled in a short-term, high-cost education program such as life or physical science, engineering, mathematics, or computer specialties, and intend to seek employment in a high-technology industry.

In addition, the tuition fees must be 200 percent of MGIB benefits that an individual would receive for that term. To date, approximately 4,000 veterans have or are benefiting from this important program.

You might recall that on May 25, 2005, under the leadership of Mr. Boozman, this Subcommittee conducted a hearing on the issue of accelerated education benefits. That hearing raised several interesting issues that we can build upon and explore further today.

While I am supportive of the program, I am very interested in receiving testimony to help the Subcommittee determine if the process time is adequate and meeting the needs of servicemembers, if expansion of eligible programs is warranted, and if expansion beyond the Montgomery GI Bill Active Duty Chapter 30 is warranted as well.

Ranking Member Boozman, I look forward to learning more from the testimony we receive today, building on the work of the last Congress, and working with our colleagues to ensure our Nation's veterans are provided the best education services that they have rightfully earned and deserve.

[The statement of Ms. Herseith Sandlin appears on p. 28.]

I now recognize the Ranking Member, Mr. Boozman, for any opening remarks he may have.

#### **OPENING STATEMENT OF HON. JOHN BOOZMAN**

Mr. BOOZMAN. Thank you very much, Madam Chairwoman, for bringing us together today to discuss the accelerated payment option of the Montgomery GI Bill.

First, I have a list of the approved high-technology programs taken from the VA Web site and ask unanimous consent that the list be entered in the record.

Ms. HERSEITH SANDLIN. Hearing no objection, so entered.

Mr. BOOZMAN. Thank you.

[The referenced list entitled, "The President's High Growth Job Training Initiative," appears on p. 42.]

The original intent of this payment option was to improve the affordability of the relatively high cost of the short-duration programs. Absent specificity from Congress, the Department coordinated with the National Science Foundation and the Bureau of Labor Statistics to create the approved list and I am sure the Department is prepared to discuss and describe their process.

Despite what is a lengthy list, incongruities exist. For example, urban forestry is approved, but nursing is not. I believe it may be time to refocus the program and better define the goal of the program.

While improving funding for high-tech courses is a valid goal, I think it ignores one of the major shortcomings of the GI Bill and that is the 30 percent of those who sign up but never use their benefit.

College is not for everyone nor does a long-term degree program fit in every life situation. For example, those servicemembers who leave the military are often married with children and cannot afford 4 years away from the job market and need help in the form of affordable, short-term education or training in fields that may be normally viewed as non-high tech.

I believe, therefore, the accelerated benefit program should be a tool to make veterans' education benefits more flexible to help these veterans. We should focus primarily on improving access to non-degree programs. That would include things like short-term certification courses but not a course that is part of a degree.

And given the level of sophistication in most sectors of the economy, it is hard to find jobs other than the most basic general labor

that do not either require or strongly encourage formal education or training.

Truck driving, for example. My district is the home to headquarters of five of the ten largest trucking companies in America and I know for a fact that they are constantly seeking new long- and short-haul drivers.

With all the regulations regarding hazardous materials and driving standards, truck driving is becoming more technically oriented every day. And I believe the industry needs about 100,000 more drivers for jobs that offer starting pay in the range of \$40,000.

I note that one of our witnesses today will testify to the standards to certify truck driving schools. I have seen their criteria and let us just say that certainly today's schools are not the schools that our fathers trained under.

Other transportation modes such as the railroads and certainly aviation also have significant technical training. High technology should not be the only determinant.

There are sectors of the economy crying for help these days, most of which require employees to master some measure of high technology. Transportation, hospitality, construction, healthcare, are just four of the dozen high-demand job fields that offer good wages and careers for our veterans.

[The statement of Mr. Boozman appears on p. 28.]

Madam Chairwoman, I look forward to working with you as always to make our education benefits programs more relevant to all of our veterans. Thank you very much.

Ms. HERSETH SANDLIN. Thank you very much, Mr. Boozman.

I would like to welcome back those who have testified before this Subcommittee previously and also those who are here testifying for the first time today.

Joining us on our first panel is our friend, Congressman Michael Michaud of Maine, a senior Member of our Committee and Chairman of the Subcommittee on Health. I thank him for his leadership on a number of issues under the jurisdiction of the different Subcommittees and the full Committee.

Mr. Michaud, welcome, and we want to recognize you for 5 minutes.

**STATEMENT OF HON. MICHAEL H. MICHAUD, A  
REPRESENTATIVE IN CONGRESS FROM THE STATE OF MAINE**

Mr. MICHAUD. Thank you very much, Chairwoman Herseth Sandlin and Ranking Member Boozman and Congressman Donnelly. I appreciate the initiative your Subcommittee has shown in considering my bipartisan legislation, House Resolution 1824, and allowing me the opportunity to appear before you today to discuss this very important piece of legislation.

As we all care about in the Veterans' Affairs Committee, we owe a great debt to those who put their lives in harm's way protecting our country. When they come home, I believe it is critical that we provide them with an opportunity to live the American dream that they have risked to protect this country.

That means providing healthcare and benefits compensation, but it also means ensuring economic opportunity as well. My legislation would allow accelerated payments of educational assistance under

the Montgomery GI Bill to any eligible veterans enrolled in an approved program of education or training that leads to employment as an operator of a commercial motor vehicle.

Current law only provides such accelerated payments for approved training programs that will lead to employment in the high-technology sector. I do not believe we should limit the range of opportunities available to our veterans and my bill will take a step further in expanding that opportunity.

My provisions would expand accelerated payment to the Montgomery GI Bill benefits to eligible veterans seeking employment in the high-demand field of commercial trucking as you heard Congressman Boozman mention earlier.

Many CDL training courses are short term and require up-front payment of tuition and, thus, do not conform with the current Montgomery GI Bill payment system of \$1,075 per month over 36 months.

In addition, my bill includes an important provision that would exclude benefits under the Montgomery GI Bill from being considered as income for purposes of determining eligibility for education grants or student loans under any other provisions of Federal law.

Current eligibility rules for receiving certain student Federal financial aid programs include Montgomery GI Bill payments in the calculation of resources. In other words, what this provision is saying is that we should not penalize our veterans for taking advantage of this earned benefit.

Madam Chairwoman, easing the transition of our military personnel back into civilian life is a responsibility our government must fully embrace. I believe my bill takes a step in the right direction.

I would like to thank you once again and Ranking Member Boozman for your leadership on this issue and hopefully we will be able to move this legislation to the full Committee and ultimately on the floor so we can help our veterans in this great Nation of ours.

With that, I will answer any questions.

[The statement of Mr. Michaud appears on p. 29.]

Ms. HERSETH SANDLIN. Thank you, Mr. Michaud.

At this time, I would like to recognize Mr. Donnelly of Indiana for any opening statement he may want to offer, and any questions that he has for our colleague at this time.

Mr. DONNELLY. Thank you very much, Madam Chairman.

I would just like to thank my fellow Member for providing such good legislation. When we know that it is very, very difficult sometimes to make ends meet and then to look at a situation where you are trying to improve and have a career and then you find out that the tuition cost is up front, what this does is it provides the veteran with that opportunity.

And so, Mr. Michaud, I will fully support your legislation and am very proud for the opportunity to vote for it when it comes on the floor of the House. Thank you.

Ms. HERSETH SANDLIN. Thank you, Mr. Donnelly.

I would now recognize the Ranking Member for any questions he may have of Mr. Michaud.



Mr. BOOZMAN. I do not have any questions. I do appreciate you working very hard on this legislation.

I have really enjoyed working with a number of different projects and you have shown great leadership. There is a lot of difference in this and leading the Health Subcommittee and trucking, but it is all about trying to figure out how we can use the tools in the toolbox, given more tools so that we can allow them to use and utilize the benefits that they have earned.

And I think your bill really goes a long way in doing that from an educational standpoint. So, again, I just appreciate you working hard on it and hopefully all of us working together, we will get it signed into law. Thank you.

Mr. MICHAUD. Thank you very much. I really appreciate that.

Ms. HERSETH SANDLIN. Thank you, Mr. Boozman.

I would now like to recognize the gentleman from New York, Mr. Hall, for any opening statement or questions he may have.

Mr. HALL. Thank you, Madam Chair, Ranking Member.

And, Congressman, I appreciate your being here and thank you for the legislation that you have submitted which I wholeheartedly support. And I just have a couple questions to ask you, if you have been approached by anybody to consider expanding the scope of the legislation.

Mr. MICHAUD. No one specific as far as other Members of Congress, but that is something I am definitely open to. I think we have to provide whatever opportunities that we can for our men and women who want to apply for the Montgomery GI Bill. So I would definitely be open to expanding it.

Mr. HALL. That was my second question. So you already answered it.

And I yield back. Thank you.

Ms. HERSETH SANDLIN. We appreciate that, Mr. Michaud. I want to echo the sentiments of others on the Subcommittee for your leadership and your tenacity and your openness to looking at other sectors that may make as much sense as those that have been authorized previously, as well as the opportunities that you have identified that exist within the commercial trucking industry.

We will look forward to working with you further as we look at accelerated education benefits payments both as it relates specifically to the way the bill is currently drafted and working with you as we consider any amendments either at the Subcommittee level or as it makes its way to the full Committee.

Thank you very much. We appreciate your time.

Mr. BOOZMAN. Madam Chairwoman.

Ms. HERSETH SANDLIN. Yes.

Mr. BOOZMAN. Could I just ask one thing of the witness?

Ms. HERSETH SANDLIN. Of course.

Mr. BOOZMAN. Mr. Michaud, do you have a cost estimate just for the trucking aspect?

Mr. MICHAUD. Just for the trucking estimate, it is estimated that for a 10-year period, it is approximately \$6.6 million over 10 years. That is one thing I think we will have to look at. How we expand it is the additional cost that that might be. So I think this is low cost for the benefit that it will provide.

Ms. HERSETH SANDLIN. Thank you, and we appreciate your testimony.

Mr. MICHAUD. Once again, I want to thank you, Madam Chairwoman, and the Committee for allowing me to speak this afternoon. Thank you very much.

Ms. HERSETH SANDLIN. Thank you.

We now invite panel two to the witness table. On our second panel of witnesses, we will hear from Mr. Chris Burruss, President of the Professional Truck Driver Institute; Mr. Rick Weidman, Executive Director for Policy and Government Affairs for Vietnam Veterans of America; and Mr. Ron Chamrin, Assistant Director of Economic Commission for the American Legion.

Mr. Burruss, we will start with you. I would like to thank you all in advance for your testimony and we appreciate you being here. You are recognized for 5 minutes.

**STATEMENTS OF CHRIS BURRUSS, PRESIDENT, PROFESSIONAL TRUCK DRIVER INSTITUTE, AND PRESIDENT, TRUCKLOAD CARRIERS ASSOCIATION, AND NORTH AMERICAN TRAINING MANAGEMENT INSTITUTE; RICHARD F. WEIDMAN, EXECUTIVE DIRECTOR FOR POLICY AND GOVERNMENT AFFAIRS, VIETNAM VETERANS OF AMERICA; AND RONALD F. CHAMRIN, ASSISTANT DIRECTOR, ECONOMIC COMMISSION, AMERICAN LEGION**

**STATEMENT OF CHRIS BURRUSS**

Mr. BURRUSS. Thank you, Madam Chairwoman, Ranking Member Boozman, and Members of the Subcommittee. My name is Chris Burruss, President of the Truckload Carriers Association, President of the North American Training Management Institute, as well as the Professional Truck Driver Institute, which is what I am here today to represent.

Ms. HERSETH SANDLIN. Could you pull the microphone just a little bit closer to you? Thank you.

Mr. BURRUSS. I do not have a hard time.

Ms. HERSETH SANDLIN. There you go.

Mr. BURRUSS. People can hear me pretty well, but I apologize for that.

I am pleased to be here on behalf of PTDI on an issue that it should be no surprise is very near and dear to our hearts in the industry. And having served in the Marine Corps for 5 years on active duty, I understand the time that a veteran spends trying to reenter the civilian workforce and it can be a time that is full of a lot of uncertainty and it can be an extremely stressful time for the veterans.

So I applaud the Subcommittee for trying to help out the veterans enter the workforce in a steadfast manner.

As a matter of background, the Professional Truck Driver Institute was established by the trucking industry in 1986. And since that time, PTDI has become the Nation's foremost advocate of standards and professionalism for entry-level truck drivers.

This national not-for-profit organization's goal is to advance truck driver training proficiency, safety, and professionalism

among drivers. PTDI serves as an independent agent for voluntary certification of entry-level commercial driver training.

It is the truckload segment of the trucking industry that is facing a critical shortage of qualified drivers. In a little more than a decade, the demand for truck services will increase by more than 30 percent which means that the trucking industry will transport 3.3 billion tons more of freight than it carries today.

In order to accommodate this higher demand, the number of the Class A trucks will increase by 32 percent, putting an additional 1 million trucks on the Nation's highways. This equates to needing that same amount of drivers in order to move the freight.

The American Trucking Association has reported that between the years of 2004 and 2014, the size of the white male population, which is a key demographic for the trucking industry, will decline by 3 million people.

Further, Global Insights projection of trend growth for the potential supply of and demand for long-haul, heavy-duty truck drivers indicates a widening imbalance during that time period.

Currently there is already a shortage of long-haul truck drivers that we estimate to be at 20,000 today and that is to haul the freight as it exists in today's society.

Having grown up in the trucking industry and having worked in this industry for 18 years, one of the key critical issues that we have is being able to attract and qualify drivers for our industry.

The national average tuition for professional truck driver training is on average about \$4,000 a year or per course and I emphasize that that is just an average. And driver training is essential and it needs to be taught by a reputable truck driving school in order for the driver to obtain the knowledge and the skills necessary to successfully pass the CDL examination.

For the prospective truck driver student who has the means to finance his or her education, then this is not really an issue. However, for the student or the veteran in this case who would like to attend a truck driver training school but does not have the means, financing for his or her education can be daunting and often, quite frankly, a disappointing task.

These students in many cases must apply for high-interest personal loans, some of which are turned away due to poor credit history. Others have to weed themselves through the Federal bureaucracy process to find alternative funding sources, and usually these come in the way of partial or full Federal grant funds.

Under the current MGI Bill or the GI Bill Program, veterans may receive a maximum monthly education benefit. Most truck driving schools, through their financial aid office, then submit those to the VA or submit their DD-214 to the VA. And from that point, it can take upward of 45 days before the veteran receives its first GI Bill check.

Schools that work with veterans report that there is a tremendous lag time between payment and services rendered. By the time the veteran receives his or her first check, the student may have completed one-half of his or her \$4,000 worth of training, depending on the school that they select.

Public, private, or carrier-based truck driving schools do not typically operate on a semester-based system. More or less, they oper-

ate on a rolling schedule with new enrollments and classes beginning every few weeks.

For a school that has been qualified by the VA to receive MGI Bill educational benefits, the current VA funding mechanism through which the school receives payment is far from efficient.

Upon the veteran student's completion of the 2- to 3-month truck driver training program, the school may have collected approximately 2 to 3 thousand dollars of the MGI Bill benefit moneys of the 4 thousand in tuition owed. Because the truck driver training school has no more control over the distribution of the funds themselves, when or whether the school will receive full tuition payment can create a concern for all parties involved.

There are a few industries where an individual with a high school diploma can enter a profession with only 4 to 6 weeks of training, to enter a profession which is unlikely to experience any downsizing, and offers them an entry-level possible salary of between 42 and \$45,000 a year. However, once trained, these positions can enable a veteran to make salaries upward of 60 to \$100,000 or more.

According to most truck driving schools, the reasons they like to recruit veterans is simple. Former military personnel make some of the best students and have higher training graduation rates than their civilian counterparts.

From the trucking company's perspective, veterans have some of the key characteristics that they are looking for, leadership, respect for procedures, integrity, and teamwork. And these are all characteristics that arguably are invaluable to all employers, but particularly in the trucking industry.

Additionally, most veterans, particularly those who have been recently separated from the Armed Service, are able to pass the drug and alcohol testing requirements, the physical examination requirements, and may have a good civilian driving record.

Veterans whose military occupational specialty or MOS involved heavy truck driving as a military profession, then truck driving in the commercial environment may be a natural career path for them in civilian life. Many PTDI schools have addressed this by developing special evaluations for veterans reentering the workforce with their military CDL.

In closing, Madam Chairwoman, I would like to ask that the Subcommittee join PTDI and TCA in support of Congressman Michaud's bill, House Resolution 1824. Our veterans looking for a second career deserve, I think, our support.

As an industry projected to add substantial numbers of new jobs to the economy, the transportation industry and PTDI is interested in working with you to address the skill shortage and workforce challenges.

And, last, as an industry that has been recognized in the President's high-growth job training initiative at the Department of Labor, we look forward to working with the Subcommittee to further this initiative.

And with that, Madam Chairwoman, this concludes my remarks, and thank you.

[The statement of Mr. Burruss appears on p. 30.]

Ms. HERSETH SANDLIN. Thank you very much, Mr. Burruss.

Mr. Weidman, we would now like to take your testimony. You are recognized for 5 minutes.

**STATEMENT OF RICHARD F. WEIDMAN**

Mr. WEIDMAN. Madam Chairwoman, thank you for holding this hearing.

Mr. Boozman, Mr. Donnelly, and Mr. Hall, also thank you for being here. We know there are multiple demands on all of your time to be many different places.

In 1994, I worked for then Governor of New York, Mario Cuomo, and we put together a GI Bill poster that is displayed in these Committee rooms and has been for some time. And people said what does that have to do with veterans' employment.

We went back and looked at the course of the GI Bill in its first 50 years and discovered that 53 percent of the GI Bill had been used for direct vocational education, either farm education or an apprenticeship or on-the-job training. That did not count those who got a degree and then went on to become doctors, lawyers, attorneys, businessmen, all the myriad of professionals for which a Bachelor's Degree or an Associate's Degree was a prerequisite.

It is, in fact, the crux event of the readjustment process is the ability to obtain and sustain meaningful employment or one's own self-employment. That is the flash point of the readjustment process for the young men and women coming home, whether they are demobilized Guard and Reservists or our active-duty folks returning home.

I thank you very much for having this hearing and particularly for Mr. Michaud's bill, but it is not limited to that. The nature of adult learning within our society, and these are adults when they come home even if they are still only 21, 22 years old, you come home with a maturity far beyond your years, and these are folks who are not going to sit in the classroom by and large and do the traditional 4-year route. Those who wish to get a Bachelor's Degree will do so.

This Committee under Mr. Boozman's leadership and with your active assistants moved several years ago to change the law in order to accommodate entrepreneurial training. Unfortunately, the vessel within which that was delivered was not changed. The State Approving Agencies are still bound by the laws and regulations of looking at classroom hours in a more traditional classroom and, therefore, many of the Small Business Development Centers have had a very difficult time.

It is not limited to the Small Business Development Centers (SBDCs) and entrepreneurial training, but I would suggest that it is something that will affect across the board.

The accelerated payment is necessary for the payment up front no matter what format that training or education is delivered in. And oftentimes it is not going to be X number of hours sitting in a classroom en masse. It is just simply not going to happen that way.

And, therefore, if the attempt is on the part of the Congress to aid and abet and assist those young men and women coming home in order to get the training that is going to directly impact on either their career or their ability to succeed, not just get in the busi-

ness, but to succeed in opening their own micro business or small business, then we are going to have to rethink the set of laws and regulations which we give to the State Approving Agencies in order to do their job of maintaining the quality and making sure that our people are not ripped off.

That is the main thrust of my statement here today, and I certainly look forward to working with both sides of the aisle, both you, Madam Chairwoman, and Mr. Boozman and others to come up with a new paradigm that will not only work for entrepreneurial training and small business training, but will also work for many other high-tech occupations and it fits with the direction in which adult learning currently is going in this country to be able to assist these folks.

I would just mention two last things, is that VVA supports extending the current rates of payments for veterans who are enrolled in apprenticeship. Apprenticeship in many States unfortunately has fallen into great disuse and it needs to be restored.

And it is people make much about how folks are no longer in blue collar professions, but moving into white collar. Try and find a plumber sometime. You want your kid to always be able to earn a living. Get him or her into doing plumbing as an example or electrician, a skilled electrician, in many parts of the country.

Last but by no means least, the SAAs are continuing to have to fight a battle to have the resources to do the job, what we need to have done in each of the 50 States plus the other three jurisdictions. I would encourage you strongly to take the steps necessary to make sure that we do not have to go through this battle every year and to ensure that the resources are provided in order to provide a framework.

VVA strongly believes that the reason why the Montgomery GI Bill has worked so well now for over 60 years is that the veteran decides. It is based essentially on a free enterprise system and the money follows the veteran. But within the framework, you have got to make sure that people are protected against fly-by-night folks and we need the SAAs to have the adequate resources to do their job so that the free enterprise, if you will, can work within the context of the approved entities and programs.

I thank you very much. I see I am over time, and thank you for indulging me, ma'am. And, again, thank you for having this important hearing.

I have said it often, but I will repeat it. Most of the important work of this Committee does not happen when the big lights are on and the place is packed. It happens in hearings like this and the hard work where, frankly, many people are not listening and people will never know anybody who is here today's name will benefit and have a much better life after their service to country in uniform because of the work you do here today. And I thank each and every one of you and each and every one of your staff persons.

Thank you, ma'am.

[The statement of Mr. Weidman appears on p. 33.]

Ms. HERSETH SANDLIN. Thank you, Mr. Weidman, for your insightful testimony and recognition of the hard work of all those on the Subcommittee and our dedicated staff. I appreciate that very much.

Mr. Chamrin, let us hear from you for 5 minutes, please.

**STATEMENT OF RONALD F. CHAMRIN**

Mr. CHAMRIN. Madam Chair Herseth Sandlin, Ranking Member Boozman, and Members of the Subcommittee, American Legion appreciates the opportunity to share its views on accelerated education payments, the impact regarding veterans education.

American Legion supports granting veterans the options to request an accelerated payment of all monthly education benefits upon meeting the criteria for eligibility for the Montgomery GI Bill financial payments.

The selection of courses the veterans undergo remain exclusively the decision of the individual veteran and all earned veterans education benefits should be made available to the veterans in support of their endeavors.

Accelerated education payments allow veterans to achieve education goals in the manner that they decide. Binding the timeframe on the education payout may restrict education options for some veterans.

American Legion recommends that all GI Bill approved courses including the OJT and apprenticeship courses become eligible for accelerated education payments.

American Legion recommends the expansion of Public Law 107 to include but not limited to survivors' and dependents' education assistance, the post Vietnam era veterans' education assistance program, and the Reserve education assistance program.

American Legion is deeply concerned with the timely manner that veterans, especially returning wartime veterans, receive their education benefits. Annually for the past 6 years, approximately 300,000 servicemembers, 90,000 of them belonging to the National Guard and Reserve, enter the civilian sector and have the ability to use their education benefits.

Any delay in receipt of education payments can adversely affect a veteran's life. There are time restrictions on most veteran education benefits. Specifically the National Guard and Reserve must remain in the Selective Reserve to use their earned benefits. Every effort should be made to ensure that the GI Bill and related veterans education benefits are delivered without delay.

American Legion applauds the initiative of veterans entering high-tech fields; however, the type of program available for accelerated payments should not be limited. Ironically courses in education are excluded from this program. Truck driving, program evaluation, policy, law, communication, early childhood education, human resources, recreation, and liberal arts are other programs that are also excluded.

American Legion is concerned with the ranges of program costs throughout the country. Consideration should be made to lower the 200 percent threshold for receiving accelerated payments. Not every veteran is destined for college; therefore, the GI Bill needs to be more accessible for those veterans with vocational aspirations other than college.

The overall cost of these short-term vocational training and licensing programs far exceed the monthly stipend provided under the traditional college student for 36 months approach and the cur-

rent GI Bill. Accelerated education payments would greatly assist qualified veterans enrolled in an approved program of education that leads to employment such as truck driving. This expansion would give veterans more educational options and a better diversity of vocations.

Starting in 2001, the total use of education benefits by veterans continues to increase. In fiscal year 2006, approximately 470,000 individuals received veteran-related education benefits. This equates to approximately 3 million courses taken by veterans.

With the increasing number of eligible veterans and increasing quantity of discharged veterans, the need for assistance and implementation of all elements of veterans benefits continue to rise.

American Legion asserts that due to the frequent call-ups of National Guard and Reserve forces, veterans are forced to divert from their traditional semester schedule in an attempt to finish their programs before the next call-up.

National Guard and Reserve units are continuously training in preparation for war. Leadership development, combat life saver, communications, language, airborne and air assault are examples of courses that are conducted year round. One in particular, leadership development courses, are required for any promotion.

Student servicemembers must choose to either enter these courses to advance their military career and better prepare them and their units for war or remain at the universities, thereby slowing their military advancement progression. Accelerated education payments will allow for these individuals to enter short-term, high-cost programs that will permit them to complete the course within the window between military requirements.

It is important to note that accelerated education payments are only available to Chapter 30 benefits. The Reserve Education Assistance Program (REAP) beneficiaries and other programs are barred from receiving accelerated payments. An example is an Operation Iraqi Freedom (OIF) veteran using REAP. If she chose to enter a high-cost, short-term program such as a teaching certification program, she would only be able to use her education benefits at the monthly rate. Furthermore, her benefit would only be available to her as long as she remains an active member of the Selective Reserve.

I would like to share the story of Sergeant Bruce Dunlap who is currently recovering from devastating injuries at the Walter Reed Army Medical Center from service in Iraq. He wishes to enter the vocational rehabilitation program and work toward becoming a teacher. Bruce eagerly wants to become self-sufficient and restart his civilian life.

This amazing and strong person has further expressed his desire to begin teaching and after a few years of employment enter a Master's program with a more specific focus on advanced education. Bruce plans on using his GI Bill to pay for his Master's program while simultaneously working as a teacher. He would take high-cost, short-term night courses. However, these programs are not currently eligible for accelerated payments.

Sergeant Dunlap's educational plan is not specifically unique. Civilians have a similar style of education plans to also encompass other fields. What is unique and can never be overlooked is that



this story is out of a veteran. Specifically he is a severely injured veteran that volunteered to enlist in the military and serve his country.

In conclusion, American Legion believes that honorable military service combined with improved education and vocational training opportunities enhances an individual, increases diversity, and betters society as a whole.

The education is continuous and ever-evolving. The diminishment of support for educational opportunities for veterans will decrease the ability to recruit new servicemembers and unfairly subject veterans to barriers of benefits that they have earned.

It is our obligation to ensure that the earned education benefits of America's veterans are actually of value to those seeking a non-traditional route to their education.

The American Legion appreciates the opportunity to present this statement of record. I welcome any questions from you, Madam Chairwoman, and the Committee.

[The statement of Mr. Chamrin appears on p. 35.]

Ms. HERSETH SANDLIN. Thank you very much, all of you, for your testimony. Let me start out with the questions. Mr. Weidman and Mr. Chamrin bring up a number of important issues as they relate to other sectors, other fields, other programs for which accelerated benefit payments may be appropriate, but I want to focus initially on the commercial driver's license program.

Mr. Burruss, do you know if there are any States that automatically convert a military license into a commercial driver's license?

Mr. BURRUSS. I do not believe that there are. To my knowledge, I do not know of any that do.

Ms. HERSETH SANDLIN. Has there been any comparison by your institute about the requirements as they relate to the standards in the military for conducting that particular responsibility versus what the CDL requirements are in the programs that are offered in the civilian workforce?

Mr. BURRUSS. Yeah. It has been studied. It has been looked at. Candidly, somebody coming out of the military can obtain a CDL if they can pass a CDL exam, both the written and driving portion.

Currently FMCSA, the Federal Motor Carrier Safety Administration, is looking at and will be issuing entry-level drivers' training standards in the near future which will cause some minimum training standards that all people will have to adhere to.

So in the future, that process is going to be even more difficult because now somebody that wants to get in is going to have to have some sort of entry-level training. Now, that is our assumption. But there are some glaring differences between military experience and over-the-road experience in a commercial vehicle.

Ms. HERSETH SANDLIN. Talk with us a little bit more about the types of programs that are offered across the country. You were talking about the average cost of a course. You pointed out the fact that often these programs are not offered on a semester-based system.

Mr. BURRUSS. Right.

Ms. HERSETH SANDLIN. Are there CDL training courses offered at community colleges, vocational technical institutes that are on a typical semester basis?

Mr. BURRUSS. Not on a semester basis, but there are courses that are run through community colleges. Now, that is not to say that there are not any longer training programs that do it that way. But the majority are on a shorter term that utilize vocational education facilities to do it. And they range everywhere from those types of schools to the private industry schools and the prices range. Usually if it is a public school, they are going to be less because they run on a not-for-profit basis.

Ms. HERSETH SANDLIN. That leads to my next question. Can you explain to the Subcommittee why a student might want to spend more money on a for-profit program? Are there differences between these programs versus the lower-cost tuition that may be available for a program from a public institution?

Mr. BURRUSS. Well, my answer to that would be there could be differences. If they adhere to some sort of a standard, for example, the PTDI model, which specifies minimum training standards. Now, that does not prevent them from offering more expansive training should they choose to do so. But it would give them a set of minimum requirements. And if drivers are educated to that standard, then there should not be any differences between the quality of the driver that is coming out of the schools.

Ms. HERSETH SANDLIN. Thank you. We may explore some of that further, but we may have votes in about 5 minutes. I want to make sure we have plenty of time for my colleagues on the Subcommittee to pose questions to this panel.

I would like to recognize the Ranking Member for any questions he may have at this time.

Mr. BOOZMAN. Thank you, Madam Chairwoman.

I appreciate all of your testimony. I think it is very helpful.

Mr. Weidman, you talked about the fact that we needed a new paradigm. And when we look at how much life has changed in every aspect, whatever business you are in, whether it is going to the gas station now and sticking your credit card in or using it at Sonic in Arkansas, where I like to hang out you stick your credit card in there. It is just so different.

We in government find it is very difficult for us to keep up with the new patterns and education has changed dramatically.

Mr. Chamrin, you mentioned the plight of the soldier that has lots of downtime, he is rehabbing, he would like to do some online courses. Those courses are just common now.

So we really do have to get on the stick and get more tools in the toolbox for these individuals as they seek employment.

So I really do not have any specific questions. Again, I just appreciate the testimony. I think it was very, very helpful.

The other comment that you made, and I think it is a good thing and it creates problems also, is that these individuals that are coming back after the experiences that they have had overseas and even the experiences that they had, the men and women stationed here, they really are very mature compared to how they left. And it is difficult to go back doing the same thing that they were doing. And they are positions of leadership, tremendous responsibility more so than the average person will ever experience in some cases and then all of a sudden to be thrust back. So, again, that is just

another reason that hopefully working together we will get this sorted out.

Thank you, Madam Chairwoman.

Ms. HERSETH SANDLIN. Thank you, Mr. Boozman.

Mr. Hall, do you have questions for the witnesses?

Mr. HALL. Just quickly I do. Thank you, Madam Chair.

And thank you all for your testimony.

I wanted to ask Mr. Burruss, do you know of any projections on how many certified truck drivers might emerge from the veterans' community if the transportation industry were to be included in the scope of accelerated education benefits?

Mr. BURRUSS. I do not have that number, no.

Mr. HALL. Do you know of any other industries that have encountered similar roadblocks such as high tuition costs that might have prevented veterans from seeking employment in that field? And I guess it could go to Mr. Weidman as well.

Mr. WEIDMAN. I am sorry.

Mr. HALL. I am curious of what other industries, what other educational paths to those industries have encountered similar roadblocks such as high tuition costs or the spread out duration of payment of tuition that might have prevented veterans from seeking employment in that field.

Mr. WEIDMAN. There are many of the high-tech fields, number one. Number two is entrepreneurial training is a good example, Mr. Hall. The SBDC in Albany basically has given up getting some of their courses approved and so they do not even focus on the GI Bill anymore.

What they do is people want to take their course, they come and pay full freight, whether they are service-disabled vets or a veteran-owned business or not. And we need to find a different way to approach this, if I may suggest, and so it is so much of training today you buy a package and you do a lot of it on your computer and then you have consultation either online or via telephone and some in-person meetings.

So the traditional thing where you gather all the students in a cluster for X number of hours over a given number of weeks just simply does not hold true for adults. And that is what I mean when I say that we need a new paradigm that also protects the individual from being ripped off by fly-by-nights.

Mr. HALL. Thank you, Mr. Weidman.

And to Mr. Chamrin, I just wanted to ask a three-part question. Does the Legion support the inclusion of commercial driving license programs in the accelerated payment provision? Does the Legion support expanding that accelerated payment provision to include all short-term, non-degree programs and/or should we give the veteran complete freedom to choose the program of interest?

Mr. CHAMRIN. Congressman Hall, the American Legion does support that GI Bill benefits be used for commercial driver's license and truck driving training. And the American Legion does believe that all short-term, high-cost elements be eligible for GI Bill education benefits.

What was your last question again?

Mr. HALL. Should we give the veteran complete freedom to choose the program of interest?

Mr. CHAMRIN. The American Legion believes that all veterans, they have earned their education benefits and whatever course of study that they choose to use, we should allow them to do that.

Mr. HALL. Thank you. I agree with that also.

And, Madam Chair—

Mr. WEIDMAN. Mr. Hall, may I—

Mr. HALL. Jump in on that if you prefer.

Mr. WEIDMAN. As long as the program is on an approved menu with a paradigm approved by the Congress within the context of the law because there are unscrupulous folks out there.

And Mr. Bombard who is going to be testifying on the next panel can tell you unbelievable stories about stuff that has gone on in the five burroughs to the south of you about unscrupulous folks who have set up programs that look great on the surface but turn out to really be shams.

Within the context of having an approved program, we do believe that it ought to be freedom of choice. That is what has made the strength of the GI Bill and made it the most successful social program ever is that freedom of choice.

I would add something else, is a number of years ago, veterans community and a variety of folks, we got to working on trying to convert military skills into civilian skills. And the only one that really made it was emergency medical technician so that people when they complete training at Great Lakes if they are in the Navy or if they complete training at Fort Sam Houston if they are an Army medic automatically are offered an EMT certification course which is accepted in all jurisdictions.

There is no reason why CDL could not do the same. And if you wanted to take education beyond that in order to be more competitive to the best of the carriers out there, and it does make a difference which school you go to as to which carrier is going to pick you up, that would be something you can do beyond that.

But we have not failed and the Veterans Corporation has totally failed in the efforts given to the Congress in 1999 to look at this whole question of conversion of military skills into civilian certification.

Mr. HALL. Thank you very much, and I yield back.

Ms. HERSETH SANDLIN. Thank you, Mr. Hall.

I would agree. I think there is a balance here that we can achieve so long as we are giving our State Approving Agencies adequate resources to do both. The veteran should have the freedom and the choice. But, like many other provisions that go along with an earned benefit, a government benefit, we need some consumer protection provisions.

I do think that goes to the issue of the State Approving Agencies that I want to get to in a minute. I first want to explore one other thing with Mr. Burruss.

Mr. Hall asked if you have any projections on how many certified truck drivers would emerge if we were able to accomplish the accelerated education benefits for that training. I know you do not have those projections, but you had mentioned earlier on when I asked the question about the military license and automatic conversion for the commercial driver's license. Have you tracked that at all, about how many come out of the military that actually go in and

take the written and driving part of the exam? Have you tracked those numbers?

Mr. BURRUSS. No, we do not.

Ms. HERSETH SANDLIN. Okay. Mr. Weidman, we have somewhere in the neighborhood of 5 to 7 minutes left before a vote which means we have to leave momentarily. We will be coming back for the third panel and we will submit additional questions if we have them for this panel. You do not have to stay if you do not want to.

On the Small Business Development Centers, you were talking to Mr. Hall, and Mr. Weidman, about how up in Albany they have given up on getting the State Approving Agencies to approve these programs. Where else in the country have Small Business Development Centers been more successful in getting State Approving Agencies to approve their programs? Anywhere? If so, have these been best practices and have they shared the know-how in different parts of the country with going through that process?

Mr. WEIDMAN. Any place where they offer a more traditional classroom setting. In other words, you have X number of hours in the classroom, in a group setting, if you will.

The problem here has to do with any time you change the room number, any time you change the instructor, you have to go through the process all over again and some of the SBDCs just say we are not going to play that game because it is not a major part of their income stream nor their clientele. It is not the majority by any stretch of the imagination.

So, you know, they want to do things for vets, but they are not going to stand on their head every time they have to change a room number or change an instructor who is an approved instructor, particularly if it is for something like the next thing or a fast-track course where there is already a certified instructor.

Ms. HERSETH SANDLIN. Mr. Boozman, do you have followup questions for this panel, so we will ask them to stay, since we—

Mr. BOOZMAN. No.

Ms. HERSETH SANDLIN. We may, in followup conversations with staff as well, have additional questions that we did not get to. Based on your testimony and answering some other questions, some of them may have been adequately addressed, but there may be a few others. We will submit those to you in writing and perhaps again work closely with you to get those responses as we investigate this area further.

We are going to go down to vote now and then we will come back for the third panel. We hope that you will be able to stay. But if not, we understand that, too, and we will see you soon, I am sure. Thank you.

Mr. BURRUSS. Thank you.

Mr. WEIDMAN. Thank you, ma'am.

[Recess]

Ms. HERSETH SANDLIN. All right. We will get back underway. I know people have places to be later this afternoon.

I do want to thank our second panel for being here and testifying.

I will now introduce our third panel and the witnesses are Mr. James Bombard, Chairman of the VA's Veterans Advisory Com-

mittee on Education, and Mr. Keith Wilson, Director of Education Service for the U.S. Department of Veterans Affairs. Thank you both for being here once again.

We will start with you, Mr. Bombard. We appreciate your testimony. You are recognized for 5 minutes.

**STATEMENTS OF JAMES BOMBARD, CHAIRMAN, VETERANS ADVISORY COMMITTEE ON EDUCATION, U.S. DEPARTMENT OF VETERANS AFFAIRS; AND KEITH M. WILSON, DIRECTOR, EDUCATION SERVICE, VETERANS BENEFITS ADMINISTRATION, U.S. DEPARTMENT OF VETERANS AFFAIRS**

**STATEMENT OF JAMES BOMBARD**

Mr. BOMBARD. Chairman Herseth Sandlin, Ranking Member Boozman, and Members of the Subcommittee on Economic Opportunity, I am pleased to appear before you today on behalf of the Department of Veterans Affairs Advisory Committee on Education to provide the Committee's view on how the GI Bill can be modified to expand the accelerated benefit program beyond the high-technology industry.

I have had the pleasure of working with the Members of the staff and the Committee for many years as the Committee has worked to improve the GI Bill.

In general, much has been done in recent years to provide servicemembers, veterans, and other eligible persons with greater opportunities to use the education and training benefits to which they are entitled, yet the nature of today's global economy demands that we continue to strive to help our workforce, especially our veterans, to gain new knowledge and learn new skills in order to maximize the contributions to the Nation.

It is the VACOE's view, the Advisory Committee's view, that even with the recent increases of the money benefit, some veterans find it cost prohibitive to enroll in an institutional program that will provide the knowledge and skills necessary for them to reach their occupational or professional objective.

Removing the current restriction that requires enrollment in a program that leads to employment in high-technology industries would allow greater opportunities for more veterans to use the GI Bill.

Additionally, we recommend revising the law to limit the length of the program that qualifies for accelerated payment to 2 years or less.

The discussion that led up to the enactment of the original legislation centered on short-term, high-technology courses. The language that was enacted does not impose any limitation on length. Therefore, all high-tech programs including many 4-year degree programs qualify.

We also recommend using the basic rate because veterans who take advantage of the \$600 buy-in or the 34-30 conversions or our recipients of kickers and bonuses or any combination thereof can be penalized by having their additional monthly payment disqualify them for accelerated payment under the 200 percent calculation.

Processing. Processing time for accelerated payment allowances is on average approximately 8 weeks for original and 2 weeks for supplemental claims. With regard to adequacy of this timeframe, it may pose a problem in short-term, high-cost courses.

Claims processing is a complicated, time-consuming endeavor which could be more efficient and more effective with the adoption of a Total Force GI Bill. The recommendation that the Advisory Committee made addressed some of the claims processing issues.

It is the VACOE's view that the accelerated payment provision should be restricted to non-degree, 2 years or less programs. A good example where the accelerated payment provision needs to be expanded is the commercial driver training program.

Nationally truck driver programs are relatively expensive because of the complexity of today's equipment and the demands of the new licensing requirements for specialized loads. An opportunity to use the accelerated payment provision of the law would allow more veterans to pursue their chosen occupation.

A word of caution. By expanding eligibility for accelerated payment, the opportunity for abuse increases. Therefore, the DVA and particularly the State Approving Agencies will have to be evermore vigilant.

In summary, the Veterans Advisory Committee supports expanding the accelerated payment provisions of Section 3014A, Title 38 of the U.S. Code to include short-term, 2 year or less, high-cost, non-degree programs.

As aforementioned, the Committee also understands there will be a need for increased vigilance on the part of the Department of Veterans Affairs and the State Approving Agencies to limit waste, fraud, and abuse.

In closing, Madam Chairman, I would like to thank you for the opportunity to present the views of the Advisory Committee on Veterans Education regarding accelerated payment provisions of Title 38.

Thank you for your efforts to make improvements to the educational and training programs that have been made available to those who defend the freedoms that we all so thoroughly enjoy. I would be happy to respond to questions.

[The statement of Mr. Bombard appears on p. 37.]

Ms. HERSETH SANDLIN. Thank you very much.

Mr. Wilson, you are recognized for 5 minutes.

#### **STATEMENT OF KEITH M. WILSON**

Mr. WILSON. Thank you, and good afternoon, Chairwoman Herseth Sandlin, Ranking Member Boozman, and Members of the Subcommittee.

I appreciate the opportunity to appear before you today to discuss VA's accelerated payment programs. My testimony will provide an overview of the accelerated payment benefit and the courses of study that qualify for accelerated payment.

Under Section 3014A, Title 38, a Montgomery GI Bill participant pursuing high-cost courses leading to employment in a high-technology occupation and a high-technology industry has the option of receiving an accelerated benefit payment. This optional lump sum

accelerated benefit payment covers up to 60 percent of tuitions and fees.

Currently accelerated payment is only available under the Montgomery GI Bill Active Duty. VA makes accelerated payments for one term, quarter, or semester at a time. However, if the program is not offered on a term, quarter, or semester basis, an accelerated payment is made for the entire program.

To qualify, the individual must be enrolled in a high-technology program and must certify that he or she intends to seek employment in a high-technology industry as defined by VA.

In consultation with the Department of Education, VA has defined the following industries as high technology: Biotechnology, life sciences technology, electronics, computer and telecommunications, electronics, computer integrated manufacturing, material design, aerospace, weapons, and nuclear technology.

In addition, the program of study undertaken must have a sufficiently high cost. The tuition and fees for the program of education when divided by the number of months in the enrollment period must exceed 200 percent of the monthly rate of basic educational assistance allowance otherwise payable.

If these criteria are met, the individual will receive an accelerated payment in lieu of the monthly MGIB-Active Duty benefit that he or she would otherwise receive for the covered period.

Accelerated payments are granted for a variety of courses of study and for both degree and non-degree programs. The following courses of study may qualify for accelerated payments: Life sciences or physical sciences, engineering, mathematics, and computer specialties, or management.

Short, non-degree courses in these areas may also qualify for accelerated benefits if they are approved for VA benefits by the State Approving Agencies.

Since the accelerated payment program's inception in fiscal year 2003, we have received 4,808 accelerated payment claims through March 31st of this year. We have granted 4,045 of those claims and paid almost \$26 million in accelerated payments. The average payment amounts to about \$6,400.

We believe the utilization of the accelerated payment program indicates that this provision of MGIB-Active Duty has filled a niche in assisting eligible individuals with their adjustment to civilian life and prepare for the critical roles in the 21st century economy.

Madam Chairwoman, this concludes my statement. I would be pleased to answer any questions you or any Members of the Subcommittee may have.

[The statement of Mr. Wilson appears on p. 38.]

Ms. HERSETH SANDLIN. Thank you, Mr. Wilson.

Your predecessor, Mr. McCoy, testified a couple of years ago on the version of the bill that Mr. Michaud had introduced in the previous Congress. I know that at that time, in his testimony he opposed Section 1 of the bill, but in terms of Section 2 specifically, I believe he supported Section 2 which deals with excluding VA educational benefits from consideration as available assets for determining eligibility under Title IV resources.

Given that the "Higher Education Act" is being reauthorized, can you update us on any discussions you had with the Department of



Education to include this language in the Administration's reauthorization proposal?

Mr. WILSON. We have not had specific discussions with the Department of Education on this provision. Our position continues to be the same as it was in 2005. However, we do support that.

Ms. HERSETH SANDLIN. What about Section 1?

Mr. WILSON. Section 1, our views continue to be the same as they were in 2005. Accelerated payment is an outstanding provision and there is no doubt that it fills a niche for individuals.

The concern that we have is creating a situation where some veterans are disadvantaged and others are not because of the type of program that they want to pursue. We would like to see accelerated pay opened up to all individuals so that it can be used equally and find a method of defining that so that all members that use our benefits can take advantage of it.

Ms. HERSETH SANDLIN. Are you supportive of a much more expansive kind of benefit which follows the veteran rather than program by program adding to the list of those that are eligible for accelerated payment?

Mr. WILSON. That is correct. And if I can give one example as to why we prefer to pursue that method. The reason accelerated pay began in the first place was for veterans to take advantage of at the time the booming technology industry. Well, since the dot com bust, we really do not have the demand in that area that we have had in the past.

So what we would like to do is pursue an approach that would allow us more dynamics, more flexibility so that we do not get into a situation where we are trying to second guess where the next push might be.

Ms. HERSETH SANDLIN. I appreciate that position, especially as it relates to the flexibility of administering accelerated payment for the current list of degrees and programs that are eligible.

If that is the position and that flexibility would probably require the resources for the State Approving Agencies, are there any cost estimates that you have done for us to be able to achieve that in the short term?

Mr. WILSON. We have not gone that far on any of that, no.

Ms. HERSETH SANDLIN. I think that is probably an objective that would find a lot of consensus. It recognizes the importance of those benefits for the veteran depending on which program he or she would choose to pursue and that type of flexibility. I do not want to speak for Mr. Michaud, but given some of the constraints that we face in the short term as it relates to budgetary matters, how can we at least be responsive to an area where there is a high need that seems to match well with some of the skills and interests of those coming back and clearly the transportation sector being one where there will most likely continue to be a demand?

Are you more worried about the precedent that this sets, that we do it one by one because realistically the feasibility of doing what you have proposed in the short term may pose more challenges to us than perhaps the \$6.6 million over 10 years of what Mr. Michaud is proposing?

Mr. WILSON. The precedent that it would set would be an issue, but I would put it in the perspective of ease of use. Our programs

are complex enough as they are right now. I would like to be able to move forward in a manner so that the users of the program clearly understand when they can use something and when they cannot. And that is difficult for them to fully grasp a lot of times right now. Obviously we would be more than happy to work with the Subcommittee on the details of this.

Ms. HERSETH SANDLIN. I think that is important. The Ranking Member and I were visiting a bit as we were heading over to vote. I think that you would find a lot of interest from us and the staff with whom we work, to sit down and to look at what you are proposing in terms of this different approach and what that means for the other entities involved, particularly the State Approving Agencies in light of the testimony we heard from the second panel.

We will come back for another round of questions, but I would now like to recognize the Ranking Member for questions he may have for the panel.

Mr. BOOZMAN. Thank you.

Mr. BOMBARD, you mentioned, kind of the fact that this legislation was obviously for non-degree, 2 year or less type training. Have we slipped into the people using it for 4-year programs? What kind of scenarios are you seeing?

Mr. BOMBARD. Well, the original intent was for high tech as Mr. Wilson has indicated. However, when they wrote the legislation, the wording was very general and when you interpreted it, it opened it up to the traditional 4-year programs. And that is how it took place.

When we made our recommendation and we studied this, it was in the context of what was happening and what the Committee believed was the right way to go considering both the financial situation as well as the situation where you could open up waste, fraud, and abuse. It could accelerate waste, fraud, abuse. No pun intended.

And that, overall, the Committee in a perfect world would like to see it opened up to everything, but we are not in a perfect world. So we thought that we had to make some decisions or put some limits on it and that is why we came up with the recommendation of the short-term, high-cost, non-degree programs.

Mr. BOOZMAN. So who actually decided the courses? I mean, who decided whatever is included now and when was that done, Mr. Wilson?

Mr. WILSON. There was a two-step process in the manner we decided this. The first thing that we needed to do was define what high-technology industry meant. We found out there was no government-wide definition of that. So we worked with the Department of Education and the National Science Foundation, both of which had lists about ten categories long that they used for a working understanding of what high-technology industry was. We combined those lists and used those as our high-technology industries.

The second step was the high-technology courses that are required. It is kind of a two-step process when you seek approval for these. And for the second, we relied on the SAAs for the background information on that and they used the classification of instructional programs which is the Department of Education publication, kind of an industry standard that classifies programs. And

they sat down and decided the list of programs within the high-technology industry that would qualify.

Mr. BOOZMAN. And when was that done?

Mr. WILSON. That was 2002, 2003.

Mr. BOOZMAN. So we really have not changed anything since then as far as what qualifies?

Mr. WILSON. That is correct.

Mr. BOOZMAN. Okay. Good. And I have several questions with your permission, Madam Chairwoman, that we would like to submit for the record.

[No questions were submitted.]

But to me, I mean, just that we have not updated that, I mean, the law did not specifically say that we could not update it, did it?

Mr. WILSON. No, it did not.

Mr. BOOZMAN. I thank you, Mr. Wilson. The fact that high-tech industry was a booming industry then and now it is not, I mean, we have to have somebody that forecasts the future and I read that in Parade Magazine all the time where they say this is what is going to be. And they get that, I am sure, from the Labor Department and from industry.

But I guess, again, that to me illustrates that is it a fair statement to say that our men and women that have this program, are they lagging behind in their ability to receive education compared to other people in business and in college or whatever entity as far as their ability to access education? Does that make sense?

In other words, my daughter is in college and she picks up hours online. I understand the fraud and abuse stuff and that has to be and, yet, we have kind of gone through a lot of that in the sense that those things that were very unheard of almost a few years ago those things are very prevalent right now.

Is that a fair statement, if you can make any sense out of that?

Mr. WILSON. I believe I can. If you are asking me whether the individuals are disadvantaged right now compared to non-veterans, I feel I would be speculating if I answered it. I do not have enough information.

Mr. BOOZMAN. What is your gut feeling?

Mr. WILSON. If you were to compare the veterans to like individuals that do not have the means to pay for accelerated pay type programs, I would say they are at an advantage. If you compare them to people that have the means, I would say that they are at a disadvantage. What I do not know is where the break is there, are there more or less of either.

Mr. BOMBARD. I would concur with that, what Mr. Wilson has just stated.

Mr. BOOZMAN. Okay. Well, thank you all.

Thank you, Madam Chairwoman.

Mr. BOMBARD. I would like to address an issue that was brought up in the last panel. Is that possible?

Ms. HERSETH SANDLIN. It will be. I would like to recognize Mr. McNerney for any questions he may have of the two of you and then we can turn it over to you to address that issue that may have come up before we may have any final questions.

Mr. McNerney.

Mr. MCNERNEY. Thank you, Madam Chairwoman.

And I want to thank the panel for coming in and describing the accelerated program. It sounds like a good idea.

Do you have any way or have you tracked performance of the recipients of the accelerated program versus the standard GI program?

Mr. WILSON. In terms of outcomes, completions of the training?

Mr. MCNERNEY. Right.

Mr. WILSON. We do not have firm data on that. We do have an initiative underway right now with the National Student Clearinghouse to develop outcome measures for all of our program participants. But at this point, we do not have anything specific, no.

Mr. MCNERNEY. Well, it sounds like you want to expand this accelerated program to include all veterans that seek GI Bill type assistance.

Do you have a specific language or a bill in mind or do you have something prepared that you want to present?

Mr. WILSON. Nothing beyond what is in our minds at this point.

Mr. MCNERNEY. Okay.

Mr. WILSON. We are still working through that. But as I mentioned earlier, I would be more than happy to work with the Committee and Subcommittee on doing that.

Mr. MCNERNEY. I want to follow up a little bit on what the Chairwoman asked in terms of cost. Do you have an idea if it is more expensive to administer the accelerated payment program to a veteran than it is to administer or including the cost of outlays to the veteran?

Mr. WILSON. Administrative costs, I would venture to say it is a wash for a couple of reasons. First of all, we are only making normally one payment where we may be making several payments. There is a little bit of difference in terms of how we handle the fiscal transactions, but I would say overall, the difference in the administrative cost is negligible.

In terms of the amount of outlays otherwise as compared to normally receiving the benefit, that is a little difficult to predict. But if one makes the assumption that the individual that is using the accelerated pay provision would not be using the GI Bill benefit otherwise, then everything that we pay under accelerated pay would be additional outlays.

I do not know if you can really make that conclusion because we do not know for sure whether an individual would use MGIB without this provision. At this point, that would be a leap of faith that we would have to make.

Mr. MCNERNEY. Okay. And then the last question for you, Mr. Wilson, is effectiveness in terms of reaching veterans that might not otherwise receive assistance. Does this reach veterans, do you think, in your opinion that would not otherwise be able to get assistance for education?

Mr. WILSON. I believe it does. All of our outreach material discusses the accelerated pay provisions that we can pay under the law. So as long as an individual is made aware of our material, they should be made aware of this specific part of the program.

Mr. MCNERNEY. I have a question for Mr. Bombard. Hopefully it is a question you were considering. One of the earlier panels was talking about how unscrupulous individuals can take advantage of

veterans that are seeking assistance. If the high-tech restrictions are lifted, then it seems to me that it would open up this to even greater abuse. Is that something that you would agree with or disagree with?

Mr. BOMBARD. I think that if you remove the restriction and as you expand the sample, you are going to have more opportunity for people to be unscrupulous and take advantage of the situation.

I think that the approving agencies and the Department can monitor that and prevent that from happening. I have no doubt that people will try to take advantage of the situation, but I also think it is manageable.

Mr. MCNERNEY. Okay. No further questions. I yield back, I guess, is the right way to put it.

Ms. HERSETH SANDLIN. Thank you, Mr. McNerney.

Mr. Bombard, was there another issue that you would like to address?

Mr. BOMBARD. Yes. Mr. Weidman made mention to the fact that the entrepreneurial training programs and the SAAs sometimes are loggerheads. The example that he used was one in New York. And as being the SAA Director in New York, I was intimately aware of what he was talking about.

And to backtrack a little, the National Association of State Approving Agencies has met with the leadership in Kansas City of the Entrepreneurial Group and have come up with plans to approve these programs across the Nation.

The person in New York who is a very bright leader in that field decided that he would take those courses that are approvable and put them on tape and make them distance learning. Well, once you make it distance learning, you change the dynamic.

The law says distance learning cannot be approved unless it is affiliated with an IHL, an Institute of Higher Learning. They were not.

We are currently in the process of working with that individual and as of last week, they are going to affiliate with a local 2-year community college from the State University System and the program will be approved.

Ms. HERSETH SANDLIN. Do you feel that the requirement by law that distance learning be affiliated with an IHL is an important requirement and important protection or perhaps along the lines of some of what Mr. Boozman was exploring, distance learning is becoming more and more acceptable?

Mr. BOMBARD. It is something on its way and I think that, in fact, someone mentioned to me the other day that the Advisory Committee was going to take a good look at that. It is an area which is difficult to get your hands on or to get around the concept. But I also think it is an area that both the Advisory Committee and the Congress and the Department of Veterans Affairs has to examine in depth.

Ms. HERSETH SANDLIN. I would agree with that. I also would think in part to address as we try to lift this restriction in the broadest way feasible, and realistically here and gradually do it more that there might be some avenue, and probably through outreach, whereas more of the distance learning programs that may currently be unaffiliated with an Institution of Higher Learning

had an avenue whether it is through the National Association of Approving Agencies or through working with the folks you mentioned in Kansas City, right, the Entrepreneurial—

Mr. BOMBARD. The Kauffman Foundation.

Ms. HERSETH SANDLIN. The Kauffman Foundation seeks approval rather than waiting for the veteran to get some informational material about the program and then have to kind of maneuver himself or herself through the process working with the VA and SAA of getting it approved. An avenue for these distance learning programs to go seek the approval. That may be worth exploring as well to enhance the distance learning options, especially for some of our veterans that are living in more rural areas as it relates to access and transportation issues.

Unless there are any further questions, I have a couple of final requests. Mr. Wilson, in your testimony, you talked about the 4,045 accelerated claims that are granted thus far. In light of Mr. Boozman's questioning that, this is initiated in 2002 where this list was approved, there have not been changes since.

If you could provide the Subcommittee with a breakdown of the programs that students enrolled in using that accelerated education benefit for each of the years starting in 2002, maybe we can look at some trends and patterns. Then I would like to compare that, and compare the current list with the President's high-growth job training initiative.

I do not know if you are familiar with that, but that seeks to train workers to meet the future demands on 14 specific sectors of the economy. It includes transportation which I think is broadly encompassing the commercial driver's license programs that we have been discussing in the bill introduced by Mr. Michaud. It also includes energy which is very important in light of programs that are being developed to train people.

I will use one example, as it relates to wind turbines and the maintenance. Again, I do not know if these would qualify as high tech under the definition we currently use, but I think when the President puts forth the high-growth job training initiative, that is designed to meet the needs in certain sectors, whether it be transportation, energy, or healthcare. Someone gave the example earlier about the EMS kind of transferability that does not currently exist for the CDLs.

I think that would help us to see the breakdown, see which programs have the highest utilization rate, and then do a comparison next to these other sectors that have been identified for high need that might give us a basis from which to work. Certainly starting with the issue of flexibility, and the distance learning issues, there is a whole lot that we can talk more about to meet the objective that I think is the same for all of us.

Just as soon as you could get us that information, that would be helpful for maybe a more informal meeting that we would like to set up with your office.

I want to thank our panelists again for their testimony on all of the panels today. We want to wish you a good rest of the week and weekend. We will look forward to working with you more. We value your expertise, your insights, and I appreciate folks sticking around

from earlier panels and being able to address issues that were raised in earlier panels and seeking clarification.

Thank you for your interest on the topic and your work with the Subcommittee. The hearing stands adjourned.

[Whereupon, at 3:56 p.m., the Subcommittee was adjourned.]

## A P P E N D I X

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### **Prepared Statement of Hon. Stephanie Herseth Sandlin Chairwoman, Subcommittee on Economic Opportunity**

Good afternoon ladies and gentlemen. The Veterans' Affairs Economic Opportunity Subcommittee hearing on accelerated education benefits for veterans will come to order.

Today, we will be hearing testimony on accelerated education benefits. In 2001, Congress passed legislation to assist veterans in paying for short-term high-cost education programs. Instead of paying the monthly education payments, accelerated education benefits provide a lump sum of 60 percent of tuition for certain programs.

To be eligible to participate in the accelerated education benefit program, individuals must qualify for the Montgomery G.I. Bill-Active Duty, be enrolled in a short-term high-cost education program such as life or physical science, engineering, mathematics or computer specialties, and intend to seek employment in a high-technology industry. In addition, the tuition and fees must be 200 percent of the MGIB benefit that an individual would receive for that term. To date, approximately 4,000 veterans have or are benefiting from this important program.

You might recall that on May 25, 2005, under the leadership of Mr. Boozman, this Subcommittee conducted a hearing on the issue of accelerated education benefits. That hearing raised several interesting issues that we can build upon today.

While I am supportive of this program, I am very interested in receiving testimony to help the Subcommittee determine: if the process time is adequate and meeting the needs of servicemembers; if expansion of eligible programs is warranted; and if expansion beyond the Montgomery G.I. Bill-Active Duty Chapter 30 is warranted as well.

Joining us on our first panel is Congressman Michael Michaud, a senior Member of our Committee and Chairman of the Subcommittee on Health.

On our second panel of witnesses, we will hear from Mr. Chris Burruss, President of the Professional Truck Driver Institute; Mr. Rick Weidman, Director of Government Relations for the Vietnam Veterans of America; and Mr. Ron Chamrin, Assistant Director of Economics for the American Legion.

Participating on our third panel is Mr. James Bombard, Chairman of the VA's Veterans' Advisory Committee on Education; and Mr. Keith Wilson, Director of Education Service for the U.S. Department of Veterans Affairs.

I look forward to learning more from the testimonies we receive today and working with our colleagues to ensure our Nation's veterans are provided the best education services that they have rightfully earned and deserve.

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### **Prepared Statement of Hon. John Boozman Ranking Republican Member, Subcommittee on Economic Opportunity**

Good afternoon.

Thank you, Madame Chairwoman, for bringing us together today to discuss the accelerated payment option of the Montgomery GI Bill.

First, I have a list of the approved high-technology programs taken from the VA Web site and I ask unanimous consent that the list be entered in the record.

The original intent of this payment option was to improve the affordability of relatively high-cost, short-duration programs. Absent specificity from Congress, the Department coordinated with the National Science Foundation and the Bureau of Labor Statistics to create the approved list and I'm sure the Department is prepared to describe the process. Despite what is a lengthy list, incongruities exist. For example, urban forestry is approved but nursing is not.

I believe it may be time to refocus the program and better define the goal of the program. While improving funding for high-tech courses is a valid goal, I think it



ignores one of the major shortcomings in the GI Bill, and that is the 30% of those who sign up but never use their benefit. College is not for everyone nor does a long-term degree program fit in every life situation.

For example, those servicemembers who leave the military are often married with children and cannot afford 4 years away from the job market and need help in the form of affordable short-term education or training in fields that may be normally viewed as non-high tech. I believe, therefore, the accelerated benefit program should be a tool to make veterans' education benefits more flexible to help these veterans.

We should focus primarily on improving access to non-degree programs. That would include things like short-term certification courses but not a course that is part of a degree. And, given the level of sophistication of most sectors of the economy, it is hard to find jobs other than the most basic general labor that do not either require or strongly encourage formal education or training. Take truck driving for example. My district is home to the headquarters of five of the 10 largest trucking companies in America and I know for a fact that they are constantly seeking new long- and short-haul drivers. With all the regulations regarding hazardous materials and driving standards, truck driving is becoming more technically oriented every day. And I believe the industry needs about 100,000 more drivers for jobs that offer starting pay in the \$40,000 range.

I note that one of our witnesses today will testify to the standards to certify truck driving schools. I have seen their criteria and let's just say today's schools are not what our fathers would have been taught. Other transportation modes such as the railroads and certainly aviation also have significant technical training.

But high technology should not be the only determinant. There are sectors of the economy crying for help these days, most of which require employees to master some measure of high technology. Transportation, hospitality, construction, health-care, are just four of the dozen high-demand job fields that offer good wages and careers for our veterans.

Madame Chairwoman, I look forward to working with you to make our education benefits programs more relevant to all of our veterans.

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**Prepared Statement of Hon. Michael H. Michaud  
a Representative in Congress from the State of Maine**

Chairwoman Herseth Sandlin and Ranking Member Boozman, Members of the Subcommittee, I appreciate the initiative your Subcommittee has shown in considering my bipartisan legislation, H.R. 1824, and allowing me the opportunity to appear to discuss this important bill.

We owe a great debt to those who put their lives in harm's way protecting our country. When they come home, I believe it is critical that we provide them with an opportunity to live the American dream that they have risked so much to protect. That means providing healthcare and benefits compensation. It also means ensuring economic opportunity.

My legislation would allow accelerated payments of educational assistance under the Montgomery GI Bill to an eligible veteran enrolled in an approved program of education or training that leads to employment as an operator of a commercial motor vehicle. Current law only provides such "accelerated" payment for approved training programs that will lead to employment in a high-technology sector. I do not believe we should limit the range of opportunities available to our veterans and my bill takes a step in expanding these opportunities. My provision would expand accelerated payment of MGIB benefits to eligible veterans seeking employment in the high-demand field of commercial trucking. Many CDL training courses are short term and require up-front payment of tuition, and thus, do not conform to the current MGIB payment system of \$1,075 per month over 36 months.

In addition, my bill includes an important provision that would exclude benefits under the MGIB from being considered as income for purposes of determining eligibility for education grants or student loans under any other provision of Federal law. Current eligibility rules for receiving certain student Federal financial aid programs include MGIB payments in the calculation of resources. In other words, what this provision is saying is that we should not penalize our veterans for taking advantage of this earned benefit.

Madame Chairwoman, easing the transition of our military personnel back to civilian life is a responsibility our government must fully embrace. I believe my bill takes a step in that direction.

I would like to thank you and Ranking Member Boozman for your leadership on these issues and for allowing me to appear before your Committee.

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**Prepared Statement of Chris Burruss  
President, Professional Truck Driver Institute  
President, Truckload Carriers Association, and  
President, North American Training Management Institute**

**INTRODUCTION**

Good afternoon, Madame Chairwoman Herseth Sandlin, Ranking Member Boozman, and Members of the Subcommittee. My name is Chris Burruss, President of the Truckload Carriers Association (TCA), the North American Training Management Institute (NATMI), and I am here today as the President of the Professional Truck Driver Institute (PTDI). I appreciate the opportunity to appear before the Subcommittee on behalf of PTDI and to have this opportunity to voice our support for expansion of the GI Bill. PTDI and TCA would also like to commend Representative Michaud for sponsoring H.R. 1824 and Representatives Miller and Herseth Sandlin for cosponsoring the bill, which would enable many unemployed veterans to find quality work in the trucking industry upon reentering the civilian workforce.

After having served in the United States Marine Corps, for 5 years on active duty, and as a veteran of Operations Desert Shield and Desert Storm, I understand the time a veteran spends trying to rejoin the civilian workforce. And, I personally applaud this Committee for trying to help our veterans regain their livelihood in a steadfast manner.

The Professional Truck Driver Institute (PTDI), a part of the Truckload Carriers Association, was established by the trucking industry in 1986, and since that time PTDI has become the Nation's foremost advocate of standards and professionalism for entry-level truck drivers. This national nonprofit organization's goal is to advance truck driver training, proficiency, safety, and professionalism among drivers. PTDI serves as an independent agent for voluntary certification of entry-level commercial truck driver training. Performance standards established by PTDI are industry-driven and incorporate the Federal Highway Administration's "Minimum Standards for Training Tractor-Trailer Drivers." A certification team verifies that the school maintains compliance with 37 certification standards in areas of course administration; curriculum; instructional personnel; training vehicles; instruction; student evaluation and testing; outcomes and records.

**OVERVIEW OF THE COMMERCIAL VEHICLE INDUSTRY**

Commercial truck traffic is vital to our Nation's economic prosperity and plays a significant role in mitigating adverse economic effects during a national or regional emergency. Our economy depends on trucks to deliver 10 billion tons of virtually every commodity consumed—or nearly 70 percent of all freight transported annually in the United States. In the United States alone, this accounts for \$671 billion worth of goods transported by truck. Add \$295 billion in truck trade with Canada and \$195.6 billion in truck trade with Mexico and it becomes apparent that any disruption in truck traffic will lead to rapid economic instability. With these accomplishments, we have made trucking a powerhouse in the transportation arena. No other mode of freight transportation has so successfully—and so safely—carved out its position in the national economy. The industry has proudly achieved this milestone while reducing the number of fatalities and injuries from large truck crashes.

By way of background, the industry has several transportation sectors within it, with different types of truck carriers classified for different purposes. The less-than-truckload (LTL) carrier provides transportation of partial-load shipments or full trailer-load shipments that go to multiple destinations. LTL carriers are comprised of two distinct segments, national LTL and regional LTL. The national LTL participants operate a "hub-and-spoke" network with an average length of haul of 1,200 to 1,400 miles. The regional LTL segment is characterized by numerous carriers, typically nonunion, that operate a modified hub-and-spoke network, with an average length of haul of 200 to 600 miles for most freight. Typically, these truck drivers deliver or pick up merchandise within a dedicated route and are usually home the same day.

Truckload carriers transport trailer-load shipments bound for a single destination and routes tend to be irregular with few terminals (used mainly for maintenance). The shipment is usually 10,000 pounds or more. There are several sub-categories including dry-van, flatbed, temperature-controlled, tanker, and regional and expedited. Operations vary depending on length of haul, which falls into three service categories: long-haul (over 1,000 miles), medium-haul (600–1,000 miles) and short-haul (less than 600 miles).

These drivers haul a great deal of freight tonnage across America, including, but not limited to, automobiles, livestock, consumer products, gas, oil and other combus-

tibles, including hazardous materials. Unlike the LTL drivers, this type of driver can spend a great amount of time on the road and may not always return home every day after each run. Many long-haul tractor-trailer drivers drive in teams for long runs—one driver sleeps in a “sleeper berth” for a portion of the route while the other drives. The truckload segment of the sector is really today’s rolling inventory allowing goods that are manufactured in the morning to be delivered to their final destination the same evening.

#### **TRUCKLOAD DRIVER SHORTAGE ISSUE**

Madame Chairwoman, it is the truckload segment of the truck transportation industry that is facing a critical shortage of qualified drivers. In the next 5 years, we expect both the economy and trucking to grow 15%. In a little more than a decade, the demand for truck services will increase by more than 30%, which means the trucking industry will transport 3.3 billion more tons of freight than it carries today. To put that in perspective, that’s nearly 1 billion tons greater than the total volume of freight that railroads will carry 10 years from now.

In order to accommodate this higher demand, the number of Class 8 trucks will increase by 32%, putting close to 1 million additional trucks on the road. This equates to needing the same amount of drivers in order to move the freight. The ATA report released in May 2005, reported that it estimates that between 2004 through 2014, the size of the white male population between the ages of 35 to 54, a demographic group that provides over half of all long-haul truck drivers currently, will decline by 3 million.<sup>1</sup> Further, Global Insight’s projection of trend growth in the potential *supply* of and *demand* for long-haul heavy-duty truck drivers indicates a *widening imbalance* during the next 10 years. Currently, there is already a shortage of long-haul heavy-duty truck drivers of approximately 20,000 needed to haul freight tonnage across the country.

#### **CHALLENGES TO RECRUITING QUALIFIED TRUCK DRIVERS**

Through my involvement as a past State Trucking Association President and now as President of PTDI and TCA, I can tell you that oftentimes, truck driving schools and carriers have to reject more applicants than they can actually enroll, despite the severe driver shortage. The reason for this is that the truck-driving industry is heavily regulated. The Department of Transportation, through the Federal Motor Carrier Safety Administration, places many restrictions on the type of individual that carriers can and cannot hire to drive a truck. The industry is presently awaiting the new recommended entry-level driver training requirements from FMCSA. Further, insurance companies that underwrite carriers can place even more restrictions on a company regarding who they can hire as a truck driver.

Under the FMCSA regulations, a “qualified driver” applying for an interstate truck driving job, generally speaking, is a driver who is: at least 21 years old; can successfully pass physical qualifications and examinations; can understand the English language; passes a controlled substances test; and, if carrying hazardous materials, completes a fingerprint/background check as prescribed by the Transportation Security Administration to be declared not to be a national security risk. TCA was disheartened when FMCSA turned down our petition for a pilot program to allow qualified and specially trained 19 and 20 year olds to operate commercial motor vehicles in interstate commerce. Current Federal regulations prescribe a minimum age of 21 for interstate truck drivers, even though the same commercial vehicles can be legally operated in intrastate commerce by drivers below the age of 21 in every state except two. We hope to revisit this petition as a way to gain drivers that we currently lose to other trades where there is not an age requirement. Stringent government regulation is, by no means, the *only* factor responsible for the driver shortage problem—there are several reasons why it exists. Both TCA and ATA are studying this critical industry issue and are exploring new ways to address it.

The critical issue is the lack of available funding for students who would like a career in professional truck driving and are otherwise qualified, but cannot afford the cost of tuition to attend a professional truck driving training school. The national average tuition to attend a professional truck driving training school for an average of 4 to 6 weeks is \$4,000.<sup>2</sup> I emphasize that these are just averages. Driver training is essential and must be taught by a reputable truck driving school in order for the driver to obtain the knowledge and skills to successfully pass both the written and road-testing requirements of the commercial drivers licensing test. A company will not hire a driver, nor will any civilian individuals legally be able to drive

<sup>1</sup> Global Insights Inc., *The U.S. Truck Driver Shortage: Analysis and Forecast, May, 2005.*

<sup>2</sup> National Association of Publicly-Funded Truck Driver Schools Survey, 2004.

a commercial motor vehicle, without a valid, state-issued CDL. (Please note each state has its own CDL test requirements, it is not a Federal standardized test.)

For the prospective truck driver student, who has the means to finance his/her education at a proprietary (privately-owned) truck driving school, there is no problem. However, for the student or veteran who would like to attend truck driving school but does not have the means, financing his/her education can be a daunting, often disappointing task. These students, in many cases, must apply for high interest, personal loans—some of whom are turned away due to poor credit history. Others weed through the web of Federal bureaucracy to find an alternative funding source, consisting of either full or partial Federal grant funds.

Publicly-funded truck driver training programs are oftentimes operated out of the community college or vocational school system. They do not operate on a “for-profit” basis and in most cases, can offer a somewhat lower rate of tuition for truck driver training programs.

#### **CURRENT GI BILL SYSTEM OF EDUCATIONAL ASSISTANCE NOT AN EFFICIENT FUNDING MECHANISM FOR TRUCK DRIVER TRAINING SCHOOL TUITION**

Accelerated benefits, which have in the past been available for high-tech occupations since 2002, make short-term, high-cost training programs more attractive to veterans by paying benefits in lump sum per term, and by covering a greater share (60%) of the cost of such programs. H.R. 1824 would expand this program to eligible veterans seeking employment in the high demand field of commercial trucking.

Under the current system a veteran who is eligible for full time, active duty MGIB benefits may receive a *maximum* monthly educational benefit of \$1,004. Most truck driving schools, through their financial aid offices, submit a veteran student truck driver’s DD-214 to the VA for processing. From that point, it can take upward of 45 days before the veteran student receives his or her first \$1,004 MGIB benefit check to apply toward the school’s tuition cost. Schools that work with veterans report that there is a tremendous lag time between payment and services rendered. By the time a veteran receives his or her first \$1,004 check the student may have completed one-half of his or her \$4,000 worth of training, depending upon the school selected.

Public, private or carrier-based truck driving training schools do not typically operate on a traditional semester-based system. More or less, they operate on a rolling schedule, with new enrollments/classes beginning every few weeks. For a school that has been qualified by the VA to receive MGIB educational benefits, the current VA funding mechanism through which the school receives payment from the MGIB recipient is far from efficient.

Upon the veteran student’s completion of the 2- to 3-month truck driver training program, the school may have collected approximately 2 to 3 thousand dollars in MGIB benefit moneys of the \$4,000 tuition fee still owed. Because the truck driver training school has no control over the distribution of MGIB funds, when or whether the school will receive full tuition payment can create concern for all involved parties.

#### **A CAREER IN LONG HAUL TRUCK DRIVING**

For those individuals who are willing to work, are careful, safe and responsible, the trucking industry offers them a wonderful opportunity. There are very few industries where an individual with a high school degree enter a profession with only 4–6 weeks of training, which is unlikely to experience “downsizing” and, offers them an entry-level possible salary of between \$42–45,000 a year. However, once trained these positions can enable a veteran to make an upward salary of \$60,000–\$100,000 or more if they choose to become an Owner Operator. Without a doubt, today’s new professional driver must be as savvy about technology as most white collar workers, and lack of this knowledge may slow down career progress. What the trucking industry also offers is job security; these training dollars will stay in the United States.

There are, as is the case with every job, downsides to long-haul truckload truck driving which are usually explained at the outset by the school instructor to every truck driver trainee. For those who chose to leave the truck driving profession, the most often-cited reason was the lifestyle. Long haul truck driving requires that the driver spend varying degrees of time away from home and a lot of time on the road. The industry is addressing this issue and many companies are trying to address the lifestyle issue by seeking ways to allow the driver more “home time.”

### **VETERANS ARE OUTSTANDING CANDIDATES FOR EMPLOYMENT IN THE TRUCKING INDUSTRY**

According to most truck driving schools, the reason they like to recruit veterans is simple. According to most truck driving school recruiters, former military personnel make the best students and have a higher training graduation rate than their civilian counterparts. From the trucking companies' perspective, veterans have the reputation of being outstanding employees. Their military training and background lends itself to (among other traits) leadership, respect for procedures, integrity and teamwork—ideal characteristics sought by all employers but vital to the success of a professional commercial truck driver. Additionally, most veterans, particularly those who have been recently separated from the armed services, are able to pass the drug and alcohol screening tests; the physical examination process; and, may have a good civilian driving record. For veterans whose military occupational specialty, or MOS, involved heavy truck driving, professional commercial truck driving may be a natural career path. What is also an advantage for the veterans, is although they are used to being away from their families, when they finally get home, they do not want to have to move their families. As this is a job that moves across the United States, you can leave your family situated where they are, and take a job in another state.

Although a military license does not automatically convert into a CDL in most U.S. states, the skills gained driving a truck in the military are certainly of great value when applying them to a truck driver training school program. TCA has communicated with the Department of Labor and the Department of Veterans Affairs in an effort to make the licensing transition less complicated.

Many PTDI schools have created special evaluations for the veterans reentering the workforce with their MCDL, to see exactly how much training they will require. Many times they just need refresher courses, or specific training in the regulations, and then they are accommodated accordingly.

### **CONCLUSION**

In closing, Madame Chairwoman, I would like to ask that this Subcommittee join PTDI and TCA in support of Congressman Michaud's bill H.R. 1824. Our veterans looking for a second career deserve our support.

As an industry projected to add substantial numbers of new jobs to the economy, the transportation industry and PTDI is interested in working with you to address the skill shortage and workforce challenges. As an industry that has been recognized in The President's High Growth Job Training Initiative at the Department of Labor, we look forward to working with the Subcommittee to further this initiative.

This concludes my remarks, Madame Chairwoman. Thank you.

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### **Prepared Statement of Richard F. Weidman Executive Director for Policy and Government Affairs Vietnam Veterans of America**

Chairwoman Sandlin, Ranking Member Boozman, and Members of the Subcommittee on Economic Opportunity, Vietnam Veterans of America (VVA) thanks you for the opportunity to testify here today. And on behalf of our officers, our Board of Directors, our members and their families, we thank you, too, for the important work you are doing, and the initiatives you are taking, on behalf of our Nation's veterans. Not everyone will need medical care or other services, but everyone (including disabled veterans) will need a job and/or assistance and training that will help lead to gainful employment, and their fullest possible reintegration into the life of our country.

We would like to focus our comments this morning on just a narrow issue of non-credit training, particularly entrepreneurial training for those who wish to go into small business or self employment. It has been said so often that by now it is almost a truism to say that self employment is many times not only the best avenue for disabled veterans (particularly profoundly disabled veterans) to secure gainful employment worthy of their talents where they live, but it may be the only way. That may be particularly true in rural areas like most of South Dakota and northwest Arkansas, and many other parts of the country. It is worth bearing in mind that apparently more than half of those deployed overseas come from towns of 25,000 or less, where job opportunities are much more truncated than is the case in more highly urbanized areas of the United States. This makes the work of this Subcommittee all the more important.

VVA strongly favored the extension of the Montgomery GI Bill benefits to pay for special vocational programs in the past few years, including the initiative for non-credit courses for those who need additional training in order to succeed at the business they are already working, or to be prepared to more successfully launch a business on which they are embarking.

It has become clear that the rules for approving some of these courses are so stringent as to discourage many of the Small Business Development Centers (SBDC) from even trying to have their courses approved. It is a matter of striking a reasonable balance between quality and accessibility, between the hours spent in the classroom and the way adults actually do most learning today in this digital day of almost universal access to the Internet and computers. VVA would suggest that this is particularly for those who are in business or about to launch their own business. Their time for studying and processing the material is often whenever they can fit it in, which is often an hour here and an hour there during the work day (which is often 12 or more hours), and that often will not conform to the needs of a more traditional classroom model.

I must caution that VVA has always, and continues to have the highest respect for the way in which most of the State Approving Agency people do their job of protecting veterans from unscrupulous operators of “fly-by-night” businesses that masquerade as legitimate training academies of one sort or another.

However, the Nation’s system of more than one thousand Small Business Development Centers (SBDC) are NOT unscrupulous operators, but well respected and sought after resources, that are often the genesis of as well as one of the engines of prosperity for economic development within an area. As you know, there is at least one SBDC in each of the 435 congressional districts in the country, because everybody wanted one!

Most of their offerings are paid for straight out of the pocket of the entrepreneurs and would be entrepreneurs and small businessowners. They pay for these courses and training regimen because they believe that this knowledge and training will help them have a better chance of succeeding at their small business. Overall experience in the small business community indicates that they are correct that their chances of success are greatly enhanced by purchasing such training.

It is clear that the SAA continue to uphold what they see as the clear legal standards set in law and regulation for traditional training, and do a fine job of it. The problem is that many of the veterans who are in small business want and need training that is not offered in these traditional formats from the SBDC. Congress enacted changes in the GI Bill in order to help these veteran businessowners and entrepreneurs to be able to receive assistance to pay for these courses. However, nothing was done to change the format of the standards and benchmarks that the SAA must adhere to in upholding quality standards to reflect that these are often not traditional classroom training. It is clear that the Congress must now work with the Association of Small Business Development Centers and others to develop language in the law that both protects the veteran and yet makes it possible for approval of the many fine offerings of the SBDC needed by veteran-owned businesses. Given that the very nature of the delivery system for adult learning in America continues to evolve, it is hardly likely that this problem is limited to just the entrepreneurial courses offered by the SBDC. Therefore an initiative that offers a new legal paradigm is needed in Title 38 to accommodate this vital vocational training.

Further, VVA supports an initiative which would extend and improve certain authorities of the Secretary of Veterans Affairs related to providing State Approving Agencies (SAAs) with funding necessary to fulfill their statutory responsibilities and more importantly, provide veterans with services that are vital to the success of the various educational assistance programs. Simply said—State Approving Agencies are the face of the GI Bill at the state level, and need more funds to properly do their job.

In this same vein, VVA supports extending the current rates of payment for veterans who are enrolled in an apprenticeship or other on-the-job training program. We believe that this provision will allow more veterans who cannot or choose not to enroll in an institutional program to pursue training for an occupation or profession leading more directly to gainful employment, which not only helps retuning veterans and demobilized National Guard and Reserve Members to better readjust to civilian life, but it also helps them to help America be more competitive in the world economy.

This concludes our testimony. Again, VVA is appreciative of having been afforded the opportunity to testify and offer our views here today. I would be pleased to respond to any of your questions.



**Prepared Statement of Ronald F. Chamrin  
Assistant Director, Economic Commission, American Legion**

The American Legion appreciates this opportunity to share its views on accelerated education payments and the impact regarding veterans' education.

The American Legion supports granting veterans the option to request an accelerated payment of all monthly educational benefits upon meeting the criteria for eligibility for Montgomery GI Bill (MGIB) financial payments. The selection of courses veterans undergo remain exclusively the decision of the individual veteran, and all earned veterans' education benefits should be made available to veterans in support of their endeavors. Accelerated education payments allow veterans to achieve education goals in the manner that they decide. Binding the timeframe of an education payout may restrict educational options for some veterans.

In addition to the traditional institutions for higher learning, MGIB benefits can be used for training at non-college-degree institutions, on-the-job or apprenticeship training, independent, and distance or Internet training. The MGIB also allows the Department of Veterans Affairs (VA) to reimburse veterans for the fees charged for national tests for admission to institutions of higher learning and national tests providing an opportunity for course credit at institutions of higher learning. Examples of tests covered are SAT, GRE, CLEP, GMAT, LSAT, etc. The MGIB for veterans, and not those eligible under Survivors and Dependents Educational Assistance (DEA), is available for flight training and correspondence training.

The significance of expanding the scope of accelerated education payments is that the preceding categories are eligible for MGIB payments, yet *excluded* from accelerated education payments. The American Legion recommends that all MGIB-approved courses, including the on-the-job training (OJT) and apprenticeship courses, become eligible for accelerated education payments.

The American Legion supports the expansion of Public Law 107-103 to include:

1. Survivors and Dependents Educational Assistance (DEA, or Chapter 35)
2. Post-Vietnam Era Veterans' Educational Assistance Program (VEAP, or Chapter 32)
3. Reserve Educational Assistance Program (REAP, or Chapter 1607)

### ACCELERATED EDUCATION PAYMENTS

The American Legion is deeply concerned with the timely manner that veterans, especially returning wartime veterans, receive their education benefits. Annually, for the past 6 years, approximately 300,000 servicemembers, 90,000 of them belonging to the National Guard and Reserve, enter the civilian sector and have the ability to use their education benefits.

Any delay in receipt of education benefits can adversely affect a veteran's life. There are time restrictions on most veteran education benefits specifically, the National Guard and Reserve must remain in the Selected Reserve to use their earned benefits. Every effort should be made to ensure that the MGIB and related veterans' education benefits are delivered without delay.

Public Law 107-103 allows accelerated payments to be made available to MGIB-AD (Chapter 30) recipients only at a lump sum payment of 60 percent of tuition and fees for certain high-cost, high-tech programs if the cost of the degree exceeds 200 percent monthly rate of basic educational assistance allowance otherwise payable. To qualify, a veteran must be enrolled in a high-tech program and certify that they intend to seek employment in a high tech industry as defined by VA. The American Legion applauds the initiative of veterans entering the fields of life science, engineering, computer specialties, electronics and aerospace; however, the type of program available for accelerated payments should not be limited.

Ironically, courses in education are excluded from this program. Truck driving, program evaluation, policy, law, communication, early childhood education, human resources, recreation, and liberal arts are other programs that are also excluded.

The minimum threshold to qualify for accelerated education payments based upon the FY 2007 pay rates for Chapter 30 is at least \$2,150 a month for full time, \$1,612 for three-quarter time, \$1,075 for half time to one-quarter time, and \$537 for less than one-quarter time. The credit hours for these categories are 12, 9-11, 6-8 and less than 6 respectfully. For graduate-level training, the training time is determined by the college.

The American Legion is concerned with the ranges of program costs throughout the country. Consideration should be made to lower the 200 percent threshold for receiving accelerated payments.

The American Legion supports legislation that would conform to our recommendations. Increasing the educational benefit available through the MGIB will provide

a better incentive to veterans to complete a program with immediate employment results, without the concern of going into short-term debt.

Amending Title 38, United States Code, to expand the scope of programs of education for which accelerated education payments of all educational assistance under the MGIB is needed. Accelerated education payments would greatly assist qualified veterans enrolled in an approved program of education that leads to employment, such as truck driving. This expansion would give veterans more educational options and a better diversity of vocations.

Not every veteran is destined for college; therefore, the MGIB needs to be more accessible for those veterans with vocational aspirations other than college. The overall costs of these "short-term" vocational training and licensing programs far exceed the monthly stipend provided under the traditional "college-student-for-36-months" approach in the current MGIB.

Veterans should be afforded the opportunity to attend compressed high-front-end-cost programs that will lead to the vocation of their choice. Veterans who attend these programs should have the opportunity to use a portion of their earned benefits at an accelerated rate. Expanded options will also increase utilization of the MGIB.

In addition, a higher percentage of today's servicemembers are married (with children in the majority of cases) when they are discharged. Meeting the financial obligations to sustain and maintain a household is paramount, and often serves as a major obstacle to their timely use of the MGIB. Every effort must be made to empower these, and every veteran, with options to make the best vocational choice to help them achieve the American dream.

In addition, the American Legion strongly supports the expansion of the program to include other short-term programs of value that could lead to the immediate employment of veterans.

#### **CURRENT PROBLEMS ASSOCIATED WITH LIMITED APPROVED PROGRAMS FOR ACCELERATED MGIB PAYMENTS**

##### ***Frequent Active Duty Activations Among Reserve Forces***

The American Legion asserts that due to the frequent call-ups of the National Guard and Reserve Forces, veterans are forced to divert from the traditional semester schedule in an attempt to finish their programs before the next call-up.

National Guard and Reserve units are continuously training in preparation for war. Leadership development, combat lifesaver, communications, language, airborne, and air assault are examples of courses that are conducted year round. One in particular, leadership development courses, are required for any promotion.

Student servicemembers must choose to either enter these courses to advance their military career and better prepare them and their units for war, or remain at their universities thereby slowing their military advancement progression. Accelerated education payments will allow for these individuals to enter short-term/high-cost programs that allow them to complete the course within the window between military requirements.

##### ***Expansion Beyond Chapter 30***

It is important to note that accelerated education payments are only available to Chapter 30 benefits; Reserve Education Assistance Program (REAP) beneficiaries and other programs are barred from receiving accelerated payments.

An example is a veteran who has deployed 15 months to Iraq earning her 36 months of benefits at a rate of \$645/month. If she chose to enter a high-cost/short-term program such as a teaching certification program she would only be able to use her education benefits at the monthly rate. Furthermore, her benefit would only be available to her as long as she remains an active member of the Selective Reserve.

##### ***Programs Other Than High-Tech***

Sgt. Bruce Dunlap is currently recovering from devastating injuries at the Walter Reed Army Medical Center from his service in Iraq. He wishes to enter the vocational rehabilitation program and work toward becoming a teacher. Bruce eagerly wants to be able to become self-sufficient and restart his civilian life.

This amazingly strong-willed person has further expressed his desire to begin teaching and after a few years of employment enter a masters program with a more specific focus on advanced education. Bruce plans on using his MGIB to pay for his masters program while simultaneously working as a teacher. He would take high-cost/short-term night courses; however, these programs are not currently eligible for accelerated payments.



Sgt. Dunlap's educational plan is not specifically unique; civilians have similar style education plans that also encompass other fields. What is unique, and can never be overlooked, is that this story is that of a veteran. Specifically, he is a severely injured veteran that volunteered to enlist in the military and serve his country. It is our obligation to ensure that the earned educational benefits of America's veterans are actually of value to those seeking a non-traditional route to their education.

#### **INCREASE IN USE OF VETERANS' EDUCATION BENEFITS**

Starting in 2001, the total use of education benefits by veterans continues to increase.

In FY 2006, approximately 470,000 individuals received education benefits. This equates to approximately 3 million courses taken by veterans.

With the increasing number of eligible veterans and the increasing quantity of discharged veterans, the need for assistance and implementation of all elements of veterans' benefits will continue to rise.

Accelerated *education* payments of MGIB benefits will assist veterans to use their education benefits in a manner that best serves them.

#### **CONCLUSION**

Historically, the American Legion has encouraged the development of essential benefits to help attract and retain servicemembers into the Armed Services, as well as to assist them in making the best possible transition back to the civilian community. The *Servicemen's* Readjustment Act of 1944, the "GI Bill of Rights" is an historic piece of legislation, authored by Harry W. Colmery, Past National Commander of the American Legion, that enabled millions of veterans to purchase their first homes, attend college, obtain vocational training, and start private businesses.

Accelerated *education* payments are an instrument that will allow earned education benefits to be used for all MGIB-approved courses. In such, the number of beneficiaries and total value of the MGIB program will increase. Furthermore, in a time of war, every effort to promote and facilitate the use of veterans' education benefits must be a national priority.

The American Legion believes that honorable military service, combined with improved education and vocational training opportunities, enhances an individual, increases diversity, and betters society as a whole. The education pillar is continuous and ever evolving. The diminishment of support for educational opportunities for veterans will decrease the ability to recruit new servicemembers, and unfairly subject veterans to barriers of benefits that they have earned.

The American Legion appreciates the opportunity to present this statement for the record.

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#### **Prepared Statement of James Bombard Chairman, Veterans Advisory Committee on Education U.S. Department of Veterans Affairs**

##### **Introduction**

Chairwoman Herseth Sandlin, Ranking Member Boozman and Members of the Subcommittee on Economic Opportunity, I am pleased to appear before you today on behalf of the Department of Veterans Affairs (DVA) Secretary's Veterans Advisory Committee on Education (VACOE) to provide the Committee's view on how the GI Bill can be modified to expand the accelerated benefit program beyond the high-technology industry. I have had the pleasure of working with the Members and staff of the Committee for many years as the Committee worked to improve various GI Bills.

##### **Remarks**

In general, much has been done in recent years to provide servicemembers, veterans, and other eligible persons with greater opportunities to use the education and training benefits to which they are entitled. Yet, the nature of today's global economy demands that we continue to strive to help our workforce—especially our veterans—to gain new knowledge and learn new skills in order to maximize their contributions to the Nation.

It is the VACOE's view that even with the recent increases in the monthly benefit amount, some veterans find it cost prohibitive to enroll in an institutional program

that will provide the knowledge and skills necessary for them to reach their occupational or professional objective.

Removing the current restriction that requires enrollment in a program that leads to employment in high-technology industries would allow greater opportunities for more veterans to use their GI Bill benefits. Additionally, we recommend revising the law to limit the length of a program that qualifies for accelerated payment to 2 years or less. The discussions that led up to the enactment of the original legislation centered on short-term high-technology courses. The language that was enacted does not impose any limitations on length, therefore all high-technology programs, including many 4-year degree programs, qualify. We also recommend using the "base rate" because veterans who take advantage of the \$600 buy-in, 34/30 conversions, and kicker recipients, or any combination thereof, can be penalized by having their additional monthly payment disqualify them for accelerated payment under the current 200% calculation method.

#### **Processing**

Processing time for accelerated payment allowances is on average approximately 8 weeks for original and 2 weeks for supplemental claims. With regard to the adequacy of that timeframe this may pose a problem to veterans who are enrolled in short-term, high-cost programs.

Claims processing is a complicated, time consuming endeavor which could be made more efficient and effective with the adoption of a Total Force GI Bill.

It is the VACOE's view that the accelerated payment provision should be restricted to non-degree 2 years or less programs. A good example where the accelerated payment provision needs to be expanded is commercial driver license training programs. Nationally truck driver programs are relatively expensive because of the complexities of today's equipment and the demands of new licensing requirements for specialized loads. An opportunity to use the accelerated payment provision of the law would allow more veterans to pursue their chosen occupation.

A word of caution, by expanding eligibility for accelerated payment the opportunity for abuse increases. Therefore, the DVA and, particularly State Approving Agencies (SAA), will have to be ever more vigilant.

#### **Summary**

The VACOE supports expanding the accelerated payment provision of section 3014A, Title 38 USC, to include short-term 2 years or less, high-cost, non-degree programs. As aforementioned, the Committee also understands there will be a need for increased vigilance on the part of the DVA and SAAs to limit waste, fraud and abuse.

#### **Closing**

In closing, Mr. Chairman, I would like to thank you for the opportunity to present the views of the Advisory Committee on Veterans Education regarding accelerated payment provision of Title 38 USC. Thank you also for your efforts to make improvements to the education and training assistance programs that have been made available to those who defend the freedoms that we all so thoroughly enjoy. I would be happy to respond to any questions you may have.

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#### **Prepared Statement of Keith M. Wilson Director, Education Service, Veterans Benefits Administration U.S. Department of Veterans Affairs**

Good afternoon, Chairwoman Herseth Sandlin, Ranking Member Boozman, and Members of the Subcommittee. I appreciate the opportunity to appear before you today to discuss the Department of Veterans Affairs (VA) accelerated payment program. My testimony will provide an overview of the accelerated payment benefit and the courses of study that qualify for accelerated payment.

Under Section 3014A, Title 38, United States Code, a Montgomery GI Bill participant pursuing high-cost courses leading to employment in a high-technology occupation in a high-technology industry has the option of receiving an accelerated benefit payment. This optional lump-sum accelerated benefit payment covers up to 60 percent of tuition and fees. Currently, accelerated payments are only available under the Montgomery GI Bill-Active Duty (MGIB-AD) program.

VA makes accelerated payments for one term, quarter, or semester at a time. However, if the program is not offered on a term, quarter, or semester basis, an accelerated payment is made for the entire program.

To qualify the individual must be enrolled in a high-technology program and must certify that he or she intends to seek employment in a high-technology industry as defined by VA. In consultation with the Department of Education, VA has defined the following industries as high technology: biotechnology, life science technologies, opto-electronics, computers and telecommunications, electronics, computer-integrated manufacturing, material design, aerospace, weapons, and nuclear technology.

In addition, the program of study undertaken must have a sufficiently high cost. The tuition and fees for the program of education, when divided by the number of months in the enrollment period, must exceed 200 percent of the monthly rate of basic educational assistance allowance otherwise payable. School-related expenses, including books, supplies, and general living expenses, may not be counted when determining entitlement to accelerated payments.

If these criteria are met, the individual will receive an accelerated payment in lieu of the monthly MGIB-AD benefits that he or she would otherwise receive for the covered enrollment period. Payment is generally sent directly to the eligible individual.

Accelerated payments are granted for a variety of courses of study and for both degree and non-degree programs. The following courses of study may qualify for accelerated payments:

- Life science or physical science (but not social science)
- Engineering (all fields)
- Mathematics
- Computer specialties or management

Short non-degree courses in these areas may also qualify for accelerated payments if they are approved for VA benefits by a State Approving Agency (SAA).

An individual must include his or her request for an accelerated payment with the enrollment information sent from the school to VA for processing. The request for an accelerated payment should include the individual's certification that he or she plans to seek employment in a high-technology industry.

If an individual is approved to receive an accelerated payment, his or her entitlement will be charged based on the amount of payment received. VA will divide the amount of the accelerated payment by the amount of the individual's full-time monthly rate, and his or her entitlement will be reduced by the resulting number of months and days. For example, if a trainee receives an accelerated payment of \$3,600 and his or her full-time rate is \$900, VA will charge 4 months of entitlement ( $\$3,600/\$900 = 4$  months).

As noted previously, the accelerated payment program is only available to individuals eligible for MGIB-AD benefits. Since the accelerated payment program's inception in FY 2003, we have received 4,808 accelerated payment claims through March 31, 2007. We have granted 4,045 claims and paid almost \$26 million in accelerated payments. The average payment amount is approximately \$6,400.

We believe the utilization of the accelerated payment program indicates that this provision of MGIB-AD has filled a niche in assisting eligible individuals with their readjustment to civilian life and preparing them for critical roles in a 21st century economy.

Madame Chairwoman, this concludes my statement. I would be pleased to answer any questions you or any of the other Members of the Committee may have.

**SUBMISSIONS FOR THE RECORD**

**Prepared Statement of Walter G. Blackwell  
President and Chief Executive Officer  
National Veterans Business Development Corporation  
The Veterans Corporation**

Chairwoman Herseth Sandlin, Ranking Member Boozman, and distinguished Members of the Subcommittee, I thank you for giving me the opportunity to submit for the record TVC's position on accelerated education benefits for veterans. My name is Walter G. Blackwell; I am the President and CEO of The Veterans Corporation and a Navy veteran.

The National Veterans Business Development Corporation, doing business as The Veterans Corporation, is a Federally-chartered 501(c)(3) organization charged with creating and enhancing entrepreneurial business opportunities for veterans, including service-disabled veterans.

Section 305 of Public Law 108-183 allows individuals to use VA educational assistance for non-degree, non-credit entrepreneurship courses offered by designated organizations called "qualified providers." These courses may be pursued under the Montgomery GI Bill (Chapter 30), the Veterans' Educational Assistance Program (Chapter 32), the Montgomery GI Bill-Selected Reserve (Chapter 1606) and Section 903 of Public Law 96-342, but *not* under the Dependents' Educational Assistance Program (Chapter 35). Public Law 107-103 outlines the accelerated payment provisions for recipients of VA educational benefits under Chapter 30 (MGIB). While the concept of accelerated payments has been recognized by enactment of recent law, its implementation has fallen short. The Veterans Corporation (TVC) concern has been that veterans can not pay for short-term, high-cost entrepreneurial programs, which are often not delivered by academic institutions and do not fit familiar models of traditional course delivery.

For veterans wishing to seek entrepreneurial training through the courses/training currently available through TVC and our partners; accelerated payment only covers part of the training cost. TVC is cautious to develop and offer additional entrepreneurial courses to veterans because the MGIB does not cover the full cost.

For example, the MGIB only covers 70% of the cost toward the Owner-Operator Business Management Seminar available to veterans who wish to become an Independent Owner-Operator of a heavy-duty truck. Additionally the MGIB only covers 60% of the cost toward the veterans commercial drivers license training. This leaves the Veteran left to typically pay more than \$1,000 for the training needed to start his/her own truck driving business.

TVC recommends that steps are taken to correct the situation and allow veterans the opportunity to use their education benefits to cover the entire cost of "short-term/high-cost programs" and distance learning, and not limit payment only to the high-tech programs currently defined by the Department of Veterans Affairs.

Thank you again Madame Chairwoman. This concludes my statement.

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**Statement of Paralyzed Veterans of America**

Chairwoman Herseth, Ranking Member Boozman, and Members of the Subcommittee, on behalf of Paralyzed Veterans of America (PVA), we would like to thank you for the opportunity to submit a statement for the record today concerning accelerated payments for education benefits and proposed changes to the Montgomery GI Bill (MGIB). It is only appropriate that Congress consider updating one of the most important veterans' benefits ever enacted.

The Global War on Terror has produced a large number of men and women that have served honorably and have since been discharged from the military and become veterans. In the case of many National Guard and Reservists, they may have a career or job to return to. The future for active duty servicemembers leaving the military is not so certain. Many of these men and women plan to use earned MGIB benefits to begin or continue their college education, or pursue other career paths. The expansion of the eligible programs will increase the opportunities for these veterans.

The MGIB has been modified by Congress through the years to increase its value for the veteran and widen the scope of programs it can be used for. As the job market changes, new training programs to accommodate the job market must be available. With improvements to the MGIB, Congress has made it easier for veterans to pursue a traditional college degree. However, we also realize that this traditional path for this benefit may not be the case for many veterans.

The accelerated payment program was enacted in 2003 to address opportunities for veterans in the high-tech industry. Intensive courses condensed into a few months offer an excellent opportunity for veterans to be certified in advanced levels of information technology knowledge. In less than the standard 36 months of normal classroom study, a student is ready to enter the workplace. Using this accelerated pay initiative for other career programs would give the veteran more options. Using the funds that the veteran partially paid into to obtain training for a career path the veteran has chosen seems to be a reasonable allowance.

Similarly, veterans with significant disabilities and a sufficient work history will qualify for Social Security Disability Insurance [SSDI]. Such veterans, like anyone on SSDI, will receive a Ticket to Work voucher under Social Security's Ticket to Work program. Using their Ticket, veterans can go to a state vocational rehabilitation agency or a private employment training/counseling provider of their choice [called an Employment Network or EN] and use the services of that agency or provider to obtain a job that will enable them to leave the SSDI benefit rolls. A requirement of the Ticket to Work program, however, is that a Ticket-holder must make "timely progress" toward his or her vocational goal in order for the EN to receive payment from the Social Security Administration. During the first 24 months after placing a Ticket with a provider, the beneficiary is not expected to work but must be actively participating in the employment plan developed with his/her EN.

Perhaps a veteran on SSDI could use accelerated MGIB benefits in tandem with an employment network job training program that would take place during the first 24 months of Ticket program participation. Such an arrangement would also likely make the veteran an appealing client for any Employment Network since the GI Bill would be paying the costs of that training rather than the EN itself.

PVA also supports the expansion of MGIB Chapter 30 benefits beyond the scope of the active duty to include National Guard and Reserve servicemembers in an accelerated payment educational plan. Never before has our Nation asked so much from this group of servicemembers. It is only right that they should have the same opportunities as many of their full-time active duty counterparts. Some may choose this accelerated payment option for the MGIB for a career change after their active duty commitment ends. They should not be deprived of this option.

*The Independent Budget* for FY 2008 also includes some discussion about the concept for a Total Force Montgomery GI Bill to match the operational integration of active duty, National Guard, and Reserve servicemembers. Although the Reserve MGIB worked well prior to September 11, 2001, that system does not match up appropriately with the now large and sustained activations of Guard and Reserve units following that time. Congress did attempt to correct this benefit gap by authorizing a Reserve Title 10 MGIB program for Reservist who were mobilized for more than 90 days for a contingency operation; however, funding challenges and difficulty correlating the program to the original benefit and active duty benefits has delayed its implementation.

As stated directly in *The Independent Budget*, "The nation's total armed forces need a MGIB that supports recruitment and retention, readjustment to civilian life, proportionality of benefits for service rendered, and ease of administration." With this thought in mind, *The Independent Budget* for FY 2008 recommends the creation of the Total Force MGIB.

As explained in *The Independent Budget*, the Total Force MGIB has two broad concepts. The first would allow all active duty and reserve MGIB benefits to be organized in Title 38. The second would allow MGIB benefit levels to be simplified according to the military service performed.

These changes could be best achieved by integrating National Guard and Reserve MGIB benefits with active duty. In accordance with the recommendations of *The Independent Budget*, the benefit rates could then be structured as follows:

Tier one—similar to the current Montgomery GI Bill—Active Duty 3-year rate—would be provided to all who enlist in the active armed forces. Service entrants would receive 36 months of benefits at the active duty rate.

Tier two would be for nonprior service direct entry in the Selected Reserve (SELRES) for 6 years. Benefits would be proportional to the active duty rate. Historically, Selected Reserve benefits have been 47 to 48 percent of active duty benefits.

Tier three would be for members of the Ready Reserve who are activated for at least 90 days. They would receive 1 month of benefits for each month of activation, up to a total of 36 months, at the active duty rate.

Finally, the 10-year eligibility period for use of education benefits would apply for active duty servicemembers as well as service Members who earn benefits under Tier three mentioned above. A Selected Reserves servicemember would be eligible

to use his or her benefits while still serving in SELRES and for up to 10 years following separation for disability or qualifying retirement.

As Congress increases the training opportunities for the veterans they must insure that new programs meet the approval of State Approving Agencies (SAAs). SAAs operate through a state's department of education or postsecondary education commission. They review and evaluate, for approval in each state, the programs of education that are offered by educational institutions, including universities, junior colleges, and other VA veterans' educational assistance programs under the Montgomery GI Bill. SAAs also approve employer sponsored on-the-job training and apprenticeship programs.

PVA supports possible changes to the MGIB to broaden the scope of training available by participating in this benefit. Educational benefits are important in assisting the military in recruitment efforts. Those men and women who have chosen to serve our country in uniform deserve every opportunity that is available to train for their next stage in life.

Chairwoman Herseth and Members of the Subcommittee, PVA stands ready to assist you in any way to improve education benefits, particularly through the MGIB, for all servicemembers—active duty, National Guard, and Reserves. We look forward to addressing any legislation proposals you might have.

PVA would like to thank the Subcommittee once again for allowing us to submit a statement. We would be happy to receive any questions that you might have.

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### *The President's High Growth Job Training Initiative*

#### **Employment and Training Administration United States Department of Labor**

In remarks to operating engineers on Labor Day 2003, President Bush laid out his ground breaking approach for closing skills gaps: "The High Growth Job Training Initiative in this Administration is aiming to give workers the skills they need to realize their dreams. It's a collaborative effort to help team up people with the jobs that are needed, to make sure that the changes in our economy don't leave people behind."

This initiative represents the first step in a series of actions that the Department of Labor's Employment and Training Administration (ETA) has taken to engage business, education and the workforce investment system to work together to develop solutions to the workforce challenges facing high growth industries. Fields like healthcare, information technology, and advanced manufacturing have jobs and solid career paths left open due to a lack of people qualified to fill them. The High Growth Job Training Initiative targets education and skills development resources toward helping workers gain the skills they need to build successful careers in these and other growing industries.

To put this approach into action, ETA identified 14 sectors that fit within the following criteria: (1) they are projected to add substantial numbers of new jobs to the economy or affect the growth of other industries; or (2) they are existing or emerging businesses being transformed by technology and innovation requiring new skills sets for workers. The sectors include:

- Advanced Manufacturing
- Aerospace
- Automotive
- Biotechnology
- Construction
- Energy
- Financial Services
- Geospatial Technology
- Healthcare
- Homeland Security
- Hospitality
- Information Technology
- Retail
- Transportation

The High Growth Job Training Initiative continues to invest in national models and demonstrations of workforce solutions in these sectors designed to achieve the following outcomes:

- Targeted investment of workforce development resources and support for private and public sector partnerships to ensure the development of workers' skills in occupations where industry has identified needs.
- Increased integration of community and technical college efforts with business and the public workforce system activities to meet the skills training needs of high growth industries.

- Increased opportunities for employers to use apprenticeship training as skills development methodology, combining on-the-job training and academics, to ensure a pipeline of skilled workers.
- Providing workers with paths to career enhancing opportunities in high growth occupations.

By expanding the local workforce system's capacity to be market-driven, responsive to local economic needs, and a contributor to the economic well-being of the community, the Employment and Training Administration is promoting workforce quality, enhanced productivity, and economic competitiveness.

During 2006, the President's High Growth Job Training Initiative's evolution will continue along competitive lines established in 2005 with the healthcare and biotechnology sector competition. This year competitions are expected for talent development investments in the advanced manufacturing, construction, energy, and homeland security industry sectors.

